Dawgen GLOBAL

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DAWGEN GLOBAL INSIGHTS

DIGITAL SUPPLY CHAIN — STRATEGY

INTRODUCTION TO OUR NEW MONTHLY NEWSLETTER - DAWGEN GLOBAL INSIGHTS

Welcome to Dawgen Global and our March 2020 edition of our Monthly Newsletter - Dawgen Global Insights.

This Newsletter has been produced to provide you with an overview of our firm and the wide range of services offered by Dawgen Global entities; whether audit, accounting, tax or advisory services.

Over the past 17 years, I can proudly say that Dawgen has significant experience and expertise that we draw upon, day after day, helping our clients to progress.

Our Monthly Newsletter will demonstrate the strength of our firm and the unique and innovative approach we engender. This is communicated through client case studies on how our team have collaborated to help our clients succeed.

This issue of Dawgen Global Insights explores several management tools and strategies including Competitive Strategy and Porter's Value Chain, Digital Supply Chain Strategy and Virtual Teams.

The Value Chain concept, first described by Dr. Michael Porter in 1985, captures a series of actions that a firm—in a specific industry—accomplishes to produce a valuable product or service for the market.

In the digital age, a supply chain strategy is imperative to achieve sustainable advantage. Also developing a flexible Supply Chain can turn volatility and unpredictability into sources of Competitive Advantage.

In exploring Virtual Teams we observed that managing challenges and seizing the benefits of remote workers is easy; organizations just need to have appropriate support programs to give Virtual Teams a home-field advantage.

I hope that you will find the information we provide in this Newsletter helpful.

Dawkins Brown
Chairman
Dawgen Global

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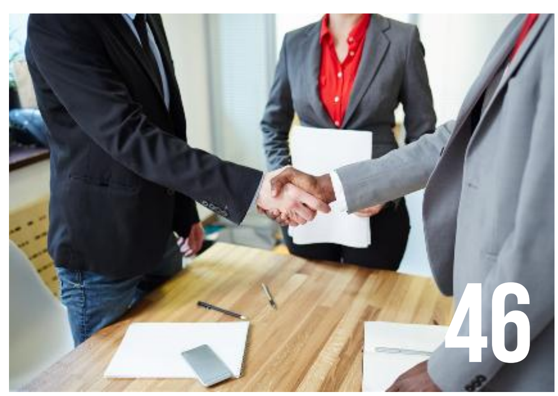


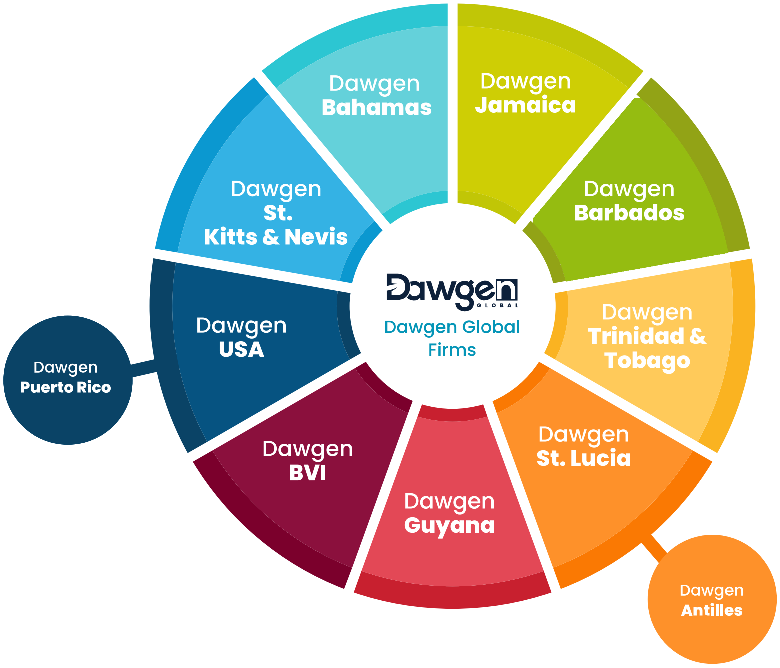
ABOUT DAWGEN GLOBAL

Dawgen Global is an integrated multidisciplinary professional service firm. We are integrated as one Regional firm and provide several professional services including: audit, accounting, tax, Information Technology, Risk, HR Solution, Performance, M&A, corporate finance and other advisory services.

Our regional network covers Jamaica, Trinidad and Tobago, Bahamas, Bermuda, the Cayman Islands, the Eastern Caribbean (Barbados, Antigua, St Lucia, Grenada, and St Kitts & Nevis), the Netherlands Antilles (Bonaire, Curacao, and St Maarten), Aruba, Turks and Caicos Islands, Guyana, Puerto Rico, and USA.

Our regional focus is to improve services to local, regional and international clients. Through our affiliation and membership in other Global Networks and Associations, we offer a global perspective while maintaining our regional insight by seeking alternatives for you – we tap the power of both.

Our multidisciplinary teams of professionals leverage a wealth of industry-tailored, practical approaches to help you discover opportunities for your business. Whether your organization is strong and healthy, under stress or facing difficult choices, we work with you to find financial, strategic and operational solutions that improve your liquidity, financial flexibility and stakeholder returns. We are here to help you build a sustainable business – in the short and long-term.



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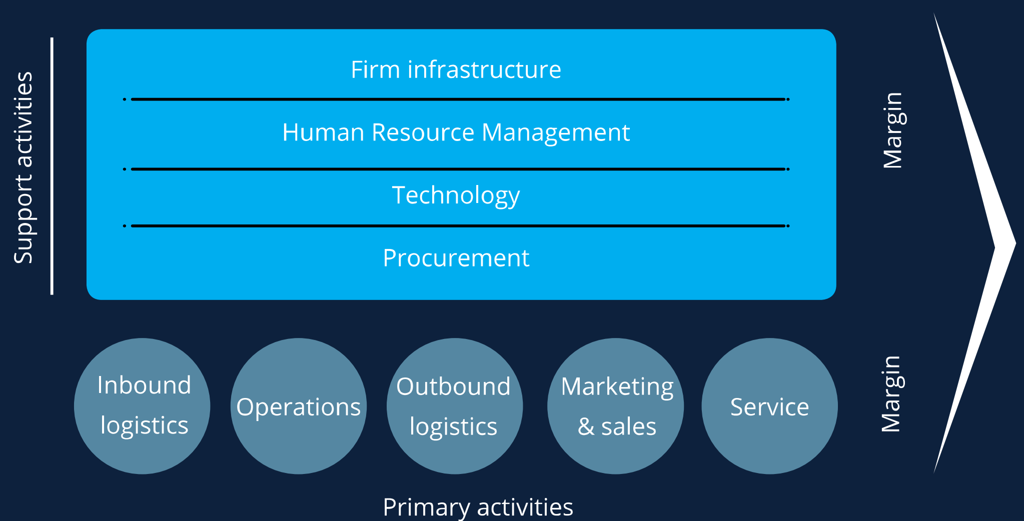
COMPETITIVE STRATEGY

PORTER'S VALUE CHAIN



DR. MICHAEL PORTER IS THE MOST CITED AUTHOR IN ECONOMICS AND BUSINESS CATEGORY

Michael Porter
Father of Modern Strategy

Michael Eugene Porter, a Professor at the Institute for Strategy and Competitiveness, Harvard Business School, received his education from Princeton University, Harvard Business School, and Harvard University. Michael Porter is widely acclaimed for his unmatched prowess in competitive strategy, global economic development, and the application of competitive principles and strategic approaches.

Dr. Porter is renowned as the father of modern-day strategy. A learned scholar and author of 18 books and a number of articles, Professor Porter is widely recognized for his theories on business strategy, management, and economics.

His scholarly writings on management and competitiveness are ranked as the most influential pieces of work till date. Michael Porter's appointment as Bishop William Lawrence University Professor at Harvard is the university's most prestigious award awarded to its faculty.

Dr. Porter's 1990's book, The Competitive Advantage of Nations, summarizes his study of various nations with respect to their productivity, competitiveness, and economic prosperity. The book is regarded as a manual for economic policy across the globe. Furthermore, he developed a strategic framework, Redefining Health Care, for revolutionizing the value of the healthcare system, with recommendations for providers, health plans, employers, and governments. He has served at various boards and as an advisor in various leading organizations, including P&G, Caterpillar, Royal Dutch Shell, and Taiwan Semiconductor.

Michael Porter has also founded and co-founded 3 non-profit organizations

Source: How Competitive Forces Shape Strategy, Porter, Harvard Business Review, 1979

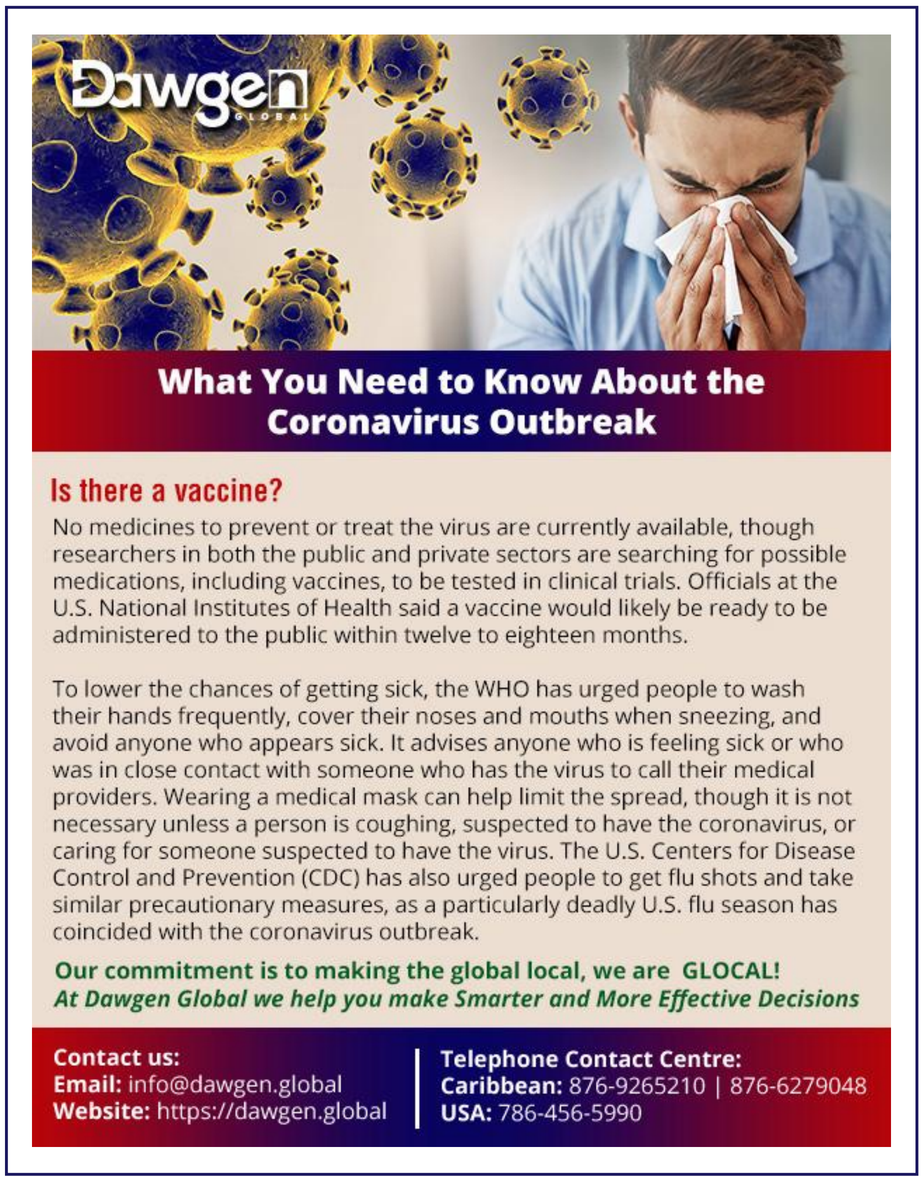
A REVIEW OF MICHAEL PORTER'S VALUE CHAIN FRAMEWORK

The Value Chain concept, first described by Dr. Michael Porter in 1985, captures a series of actions that a firm—in a specific industry—accomplishes to produce a valuable product or service for the market. The Value Chain notion visualizes the process view of an organization, perceiving a manufacturing or service organization as a system comprised of subsystems of inputs, transformation processes, and outputs.

This Article deliberates on the primary and secondary activities that comprise the Porter's Value Chain Model and provides a detailed account on how to implement and analyze it across industries in an effective way. The 3 key phases of the Value Chain Analysis (VCA) approach include:

1. Activity
2. Value Analysis
3. Evaluation and Planning

Value Chain Analysis emphasizes the real needs of an organization.



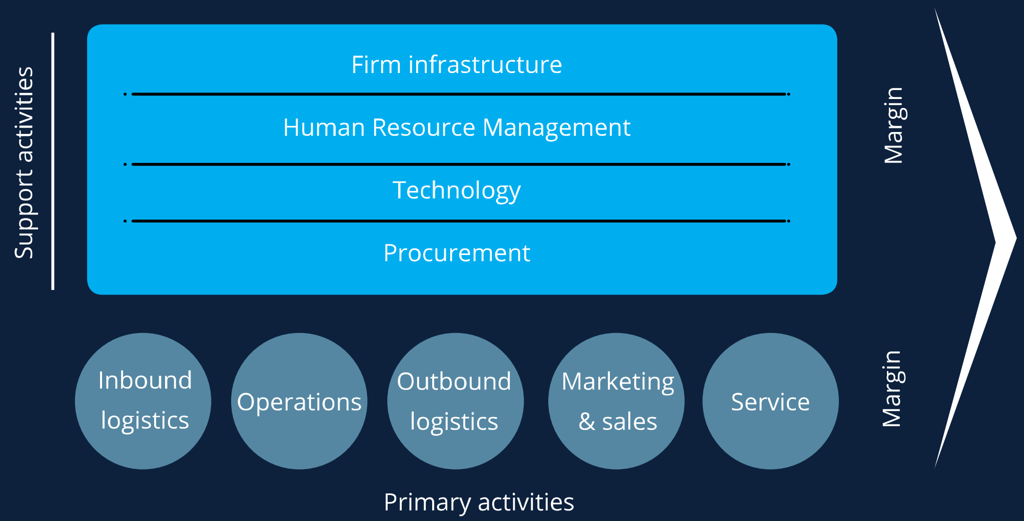
THE VALUE CHAIN CONCEPT HAS BEEN USED AS A COMPETITIVE STRATEGY AND DECISION SUPPORT TOOL SINCE 1979

PORTER'S VALUE CHAIN – OVERVIEW

The Value Chain concept, first described by Dr. Michael Porter in 1985, captures a series of actions that a firm—in a specific industry—accomplishes to produce a valuable product or service for the market.

The Value Chain notion visualizes the process view of an organization, perceiving a manufacturing or service organization as a system comprised of subsystems of inputs, transformation processes, and outputs.

Another way to define the Value Chain principle is, "transforming business inputs into outputs, thereby creating a value much better than the original cost of producing those outputs." These inputs, processes, and outputs entail acquiring and utilizing resources—finances, workforce, materials, equipment, buildings, and land.



RATHER THAN LOOKING AT DEPARTMENTS OR ACCOUNTING COSTS, PORTER'S VALUE CHAIN FOCUSES ON SYSTEMS

VALUE CHAIN – PRIMARY ACTIVITIES

Products undergo a set of activities that add value to them. This gives the products more added value than the sum of added values of all activities.

The primary activities in Porter's Value Chain are associated with the production, sale, upkeep, and support of a product or service offering, including:

INBOUND LOGISTICS

All processes associated with the internal procurement, storage, and distribution of inputs.

OPERATIONS

The processes and activities that transform inputs into outputs that are sold to customers. Here, your operational systems create value.

OUTBOUND LOGISTICS

These are activities concerning the delivery of product or service offerings to the customers—e.g., collection, storage, and distribution processes internally or externally.

MARKETING AND SALES

These are set of activities and processes related to convincing customers to buy from a particular firm. The sources of value include effective communication and benefits offered.

SERVICE

The processes concerning the sustainability of value of products or services post-purchase for the customers.

An industry Value Chain includes the suppliers that provide the inputs, creation of products by a firm, distribution Value Chains, till the products reach the customers.

FOR THE ACHIEVEMENT OF COMPETITIVE ADVANTAGE, A THOROUGH UNDERSTANDING OF ALL COMPONENTS OF A VALUE SYSTEM IS ESSENTIAL

VALUE CHAIN – SUPPORT ACTIVITIES

The secondary activities and processes in Porter's Value Chain support the primary activities.

The Procurement function supports Operations, Marketing, and Sales with certain activities, such as:

PROCUREMENT

The functions required to acquire the resources needed to operate—including finding vendors and negotiating prices.

TECHNOLOGICAL DEVELOPMENT

The functions concerning creating value by processing information, protecting a knowledge base, cutting IT costs, adopting technological developments, and achieving technical excellence.

HUMAN RESOURCE MANAGEMENT

The processes related to staffing, training, motivating, rewarding, and retaining the workforce. People and HR best practices help the businesses create distinct value and edge over rivals.

INFRASTRUCTURE

The functions that assist companies in maintaining daily operations—e.g., accounting, legal, administrative, and general management.

The primary and support activities are the "building blocks" to create a valuable product or service.

PORTER'S VALUE CHAIN MODEL IS APPLICABLE TO A VARIETY OF INDUSTRIES—IT'S A MATTER OF HOW WELL IT IS IMPLEMENTED AND ANALYZED

VALUE CHAIN ANALYSIS (VCA) – APPROACH

Businesses seeking competitive advantage often turn to Value Chain models to identify opportunities for cost savings and differentiations in the production cycle.

Michael Porter introduced the Value Chain model in 1985. However, Value Chain Analysis (VCA) is still a useful model for identifying market opportunities and achieving competitive differentiation. The approach to VCA encompasses the following 3 steps:

ACTIVITY ANALYSIS

The first step involves identifying the activities required to create the product or service offering.

VALUE ANALYSIS

Entails figuring out the tasks required under each activity to add maximum value for the customer.

EVALUATION AND PLANNING

Analyzing the activities, tweaking them, and devising a plan for action.

Value Chain Analysis allows retailers to monitor each action throughout the entire process from product creation to storage and distribution to customers.

VALUE CHAINS STREAMLINE THE PROCESSES CONCERNING A PRODUCT'S CONCEPT TO MARKET

VCA – COST REDUCTION OPPORTUNITIES

Michael Porter introduced the following cost drivers to help identify the effectiveness and areas of improvement in a Value Chain.

ECONOMIES OF SCALE

Analyzing costs based on the size and geography of demand—national or global.

LEARNING

Improving the environment or making it efficient, i.e., asset use, warehouse layout etc.

CAPACITY UTILIZATION

Utilizing capacity efficiently, preventing under or over-utilization.

LINKAGES AMONG ACTIVITIES

Recognizing areas of improvement through coordination.

INTERRELATIONSHIPS AMONG UNITS

Ensuring sharing of information and resources among business units.

DEGREE OF VERTICAL INTEGRATION

Ascertaining areas of joint integration or convergence.

TIMING OF MARKET ENTRY

Scheduling entry based on economic, global, and competitive market position scenarios.

FIRM'S POLICY OF COST OR DIFFERENTIATION

Integration of value into the process.

GEOGRAPHIC LOCATION

Selecting location based on wages, climate, and availability of raw materials.

INSTITUTIONAL FACTORS

Considering local taxes, unions, and regulations.

For more specific Cost Reduction Opportunities across the Value Chain, refer to this framework: https://flevy.com/browse/business-document/cost-reduction-opportunities-across-value-chain-204.

Source: How Your Business Can Benefit from Value Chain Modeling, Smartsheet, 2018

VALUE CHAIN ANALYSIS AIDS IN IDENTIFYING BOTTLENECKS AND MAKING RAPID IMPROVEMENTS

VCA – BENEFITS

Value Chain modeling offers a number of benefits.

As per Dr. Porter, competitive advantage often arises from realizing new ways to configure and manage the entire value system.

Dr. Porter's Value Chain model is quite comprehensive, yet adaptable to the specific needs of different organizations.

The model provides a good foundation to build on through rigorous analysis and fine-tuning with the transforming marketplace, competition, technology, or customers demand. It facilitates in pinpointing opportunities internally or through outsourcing to take advantage of cost savings and specialized expertise.

Some of the other key benefits of Value Chain Modeling include:

- COST REDUCTION
- COMPETITIVE DIFFERENTIATION
- INCREASED PROFITABILITY AND BUSINESS SUCCESS
- INCREASED EFFICIENCY
- DECREASED WASTE

THE FIRST STEP IN THE VCA INVOLVES "ACTIVITY ANALYSIS"—DETERMINING THE SPECIFIC ACTIVITIES REQUIRED TO DELIVER VALUE TO THE CUSTOMERS

VCA – PHASE 1

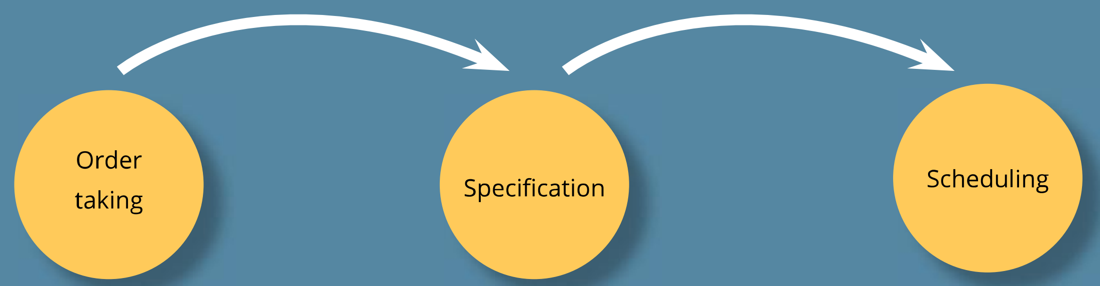
The first step in Value Chain Analysis necessitates identification of activities that are essential to undertake in order to deliver product or service offerings.

- ✓ Listing the critical processes necessary to serve the customers—e.g., marketing, sales, order taking, distribution, and support—visually in a flowchart for better understanding.

  This should be done by involving the entire team to gather a rich response and to have their support on the decisions made afterwards.

- ✓ Listing the other important non-client facing processes—e.g., hiring individuals with skills critical for the organization, motivating and developing them, or choosing and utilizing technology to gain competitive advantage

VALUE CHAIN



IN THE SECOND PHASE OF CVA, WE CONDUCT A “VALUE ANALYSIS”—IDENTIFYING TASKS REQUIRED UNDER EACH PRIMARY ACTIVITY THAT CREATE MAXIMUM VALUE

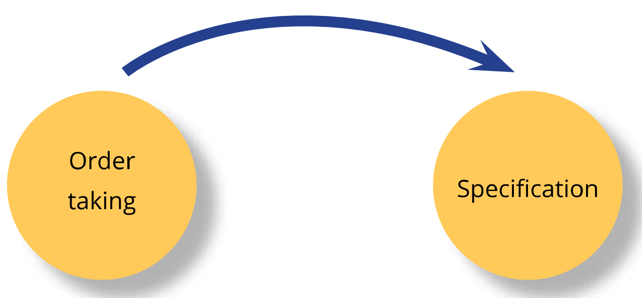
VCA – PHASE 2

In the second phase, we ascertain the key actions for each specific activity identified during the first phase. opportunities for cost savings and differentiations in the production cycle.

This phase is characterized by:

- Thinking through the “value factors”— elements admired by the customers about the way each activity is executed.
  - For example, for the order taking process, customers value quick response to their call, courteous behavior, correct order entry, prompt and educated response to queries, and quick resolution of their issues.
- Citing the value factors next to each activity on the flowchart.
- Jotting down the key actions to be done or changes to be made to for each Value Factor

VALUE CHAIN



Value factors

- Fast answer to phones.
- Knowledge of customer’s situation and system.
- Understand needs accurately.
- Manage expectations.
- Accurate, comprehensive description of changes.
- Easily understandable.
- Lists all activities.
- Explains basis of price.

Changes needed

- 3 rings rule, then all ring.
- Team updates on clients.
- Team training on systems.
- Client briefing at end of call.
- Training in writing and proofing.
- Internal review for clarity.
- Use aide memoire to ensure all points considered.
- Description of all activities.

For a firm engaged in providing professional services, the value factors could be relevant and “best-fit” solution—based on accurate data—that is easily deployable and scalable.

THE 3RD STEP IN THE VCA INVOLVES CAREFULLY EVALUATING THE CHANGES TAKING PLACE AND DEVELOPING A PLAN OF ACTION

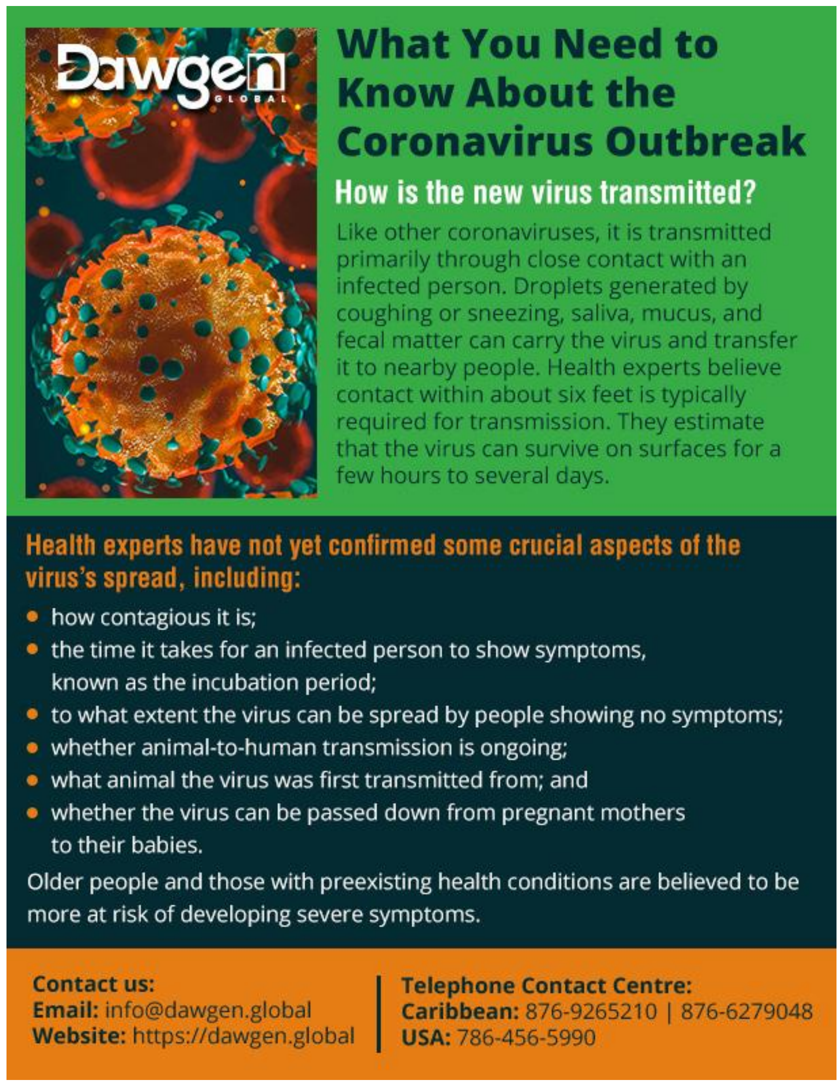
VCA – PHASE 3

All these analyses generate innovative ideas to enhance the service and value delivered to the customers.

The 3rd phase of the VCA calls for implementation of the following key imperatives:

- Select the ideas that are easier and quicker to execute—quick wins.
- Commence implementing some of these to improve the team's outlook.
- Focus on completing the initiative(s); don't lose concentration by initiating too many different initiatives.
- Carefully analyze the ideas that are a bit difficult to implement. Discard those that are totally impractical or those that are too costly to execute and will deliver marginal improvement.
- Scrutinize the remaining initiatives.
- Develop a plan of action to undertake those in achievable, incremental steps

It's always useful to run the outcomes of the initiatives through your key customers to gather their feedback and to confirm their requirements.



ABOUT DAWGEN GLOBAL

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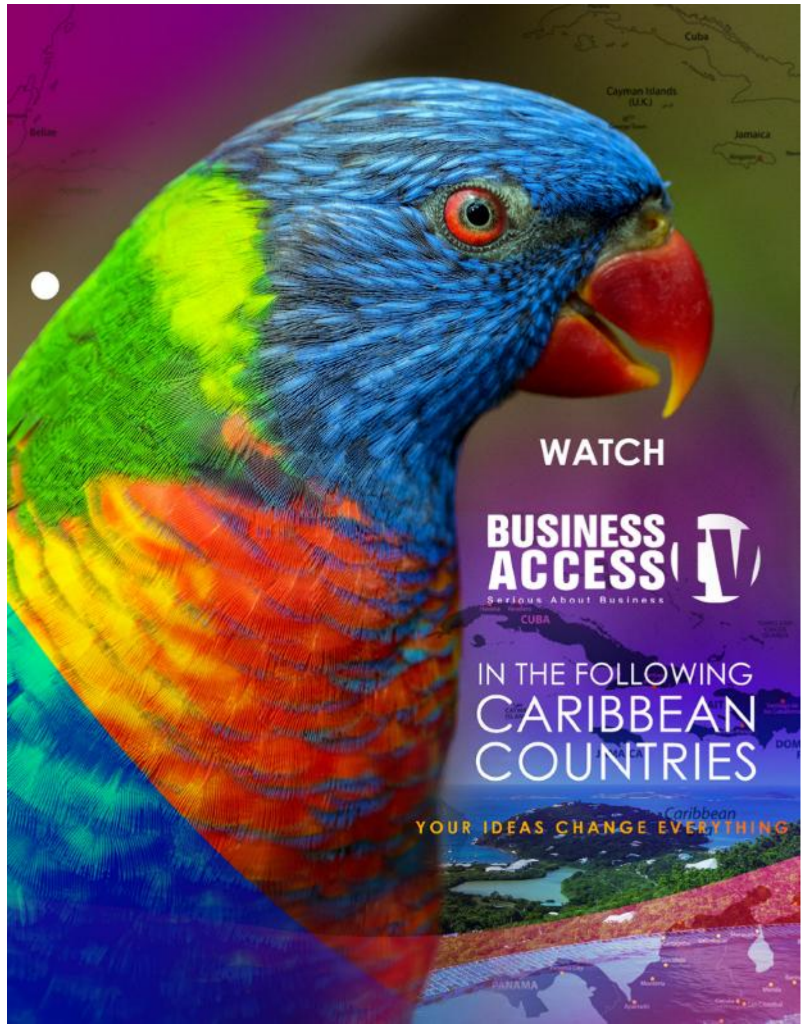
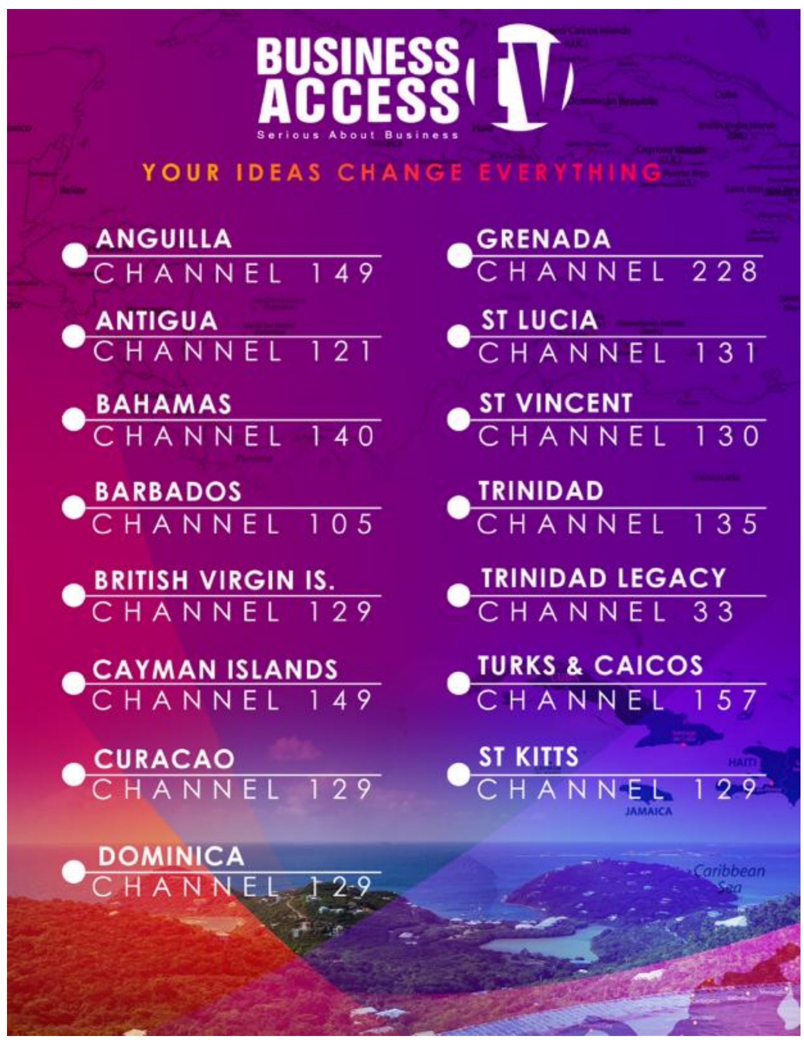
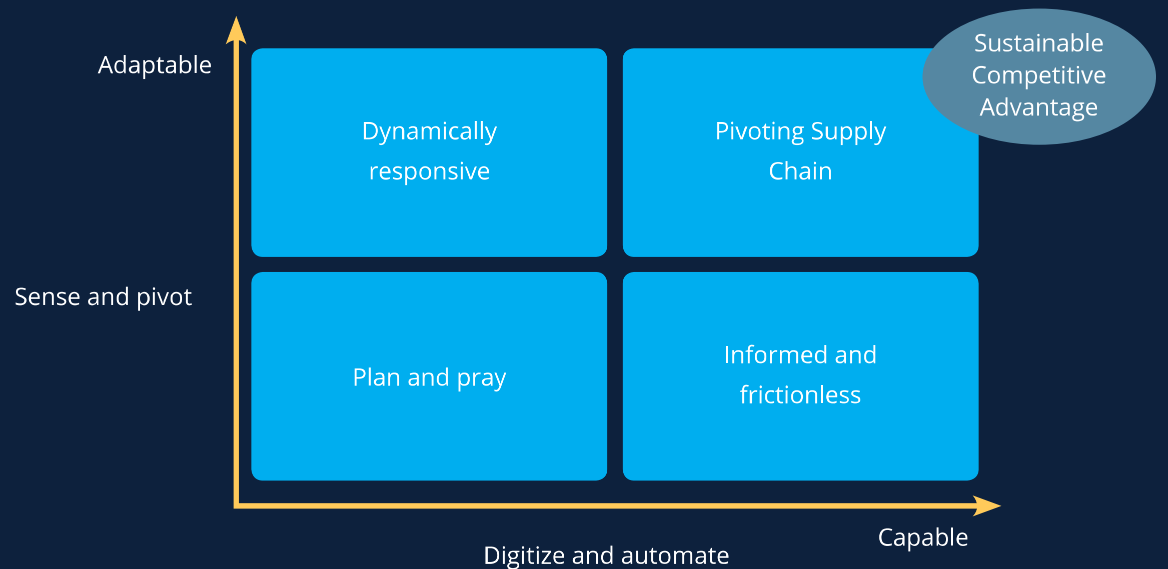




DIGITAL SUPPLY CHAIN STRATEGY



DIGITAL SUPPLY CHAIN STRATEGY IS THE NEW APPROACH TO SUPPLY CHAIN RESILIENCE

ARTICLE OVERVIEW

In today's Digital Age, organizations are faced with the changing nature of the demand curve and the element of uncertainty in the Supply Chain. For Operations Teams, the challenge and Competitive Advantage has become: How well we respond and execute against ongoing uncertainty.

With the world being so unpredictable, chaos is now the new normal. Timetables and priorities have shifted. A supplier fails to deliver. Demands on Supply Chains are increasing exponentially. A few years ago, Supply Chain performance was all about batch quantities, timetables, and lead times. Today, millions of packages are shipped a day, with many with just only few items.

In the face of this upheaval, Supply Chains try to predict what will happen, then optimize performance against plan. Most often, those plans are not met. The path forward demands a bold leap in Supply Chain performance.

This article provides organizations and their Operations Teams an effective strategy to address potential disruption and achieve Supply Chain resilience. To achieve sustainable Competitive Advantage, a Supply Chain Strategy must follow a 2-prong approach.

1. Sense and Pivot
2. Digitize and Automate

Organizations must be adept in developing and executing Digital Supply Chain Strategy to achieve cyber resilience.

Ways to automate resiliency must be pursued to keep pace with the Digital Age.

THE CENTRAL CHALLENGE COMPANIES HAVE TO CONTEND WITH TODAY IS CHAOS HAS BECOME NORMAL

DIGITAL SUPPLY CHAIN – THE DIGITAL AGE

Demand on Supply Chains are increasing exponentially.

Supply Chain performance used to be all about batch quantities, timetables, and lead times. Times have changed.

- Timetables and priorities have shifted.
- Suppliers fail to deliver.
- Millions of packages are shipped every day, many with just few items.
- Customers are encouraged to order multiple sizes and colors of the same item, choose they like best, and return the rest.

Supply Chains are responding in the face of upheaval.

- Attempts are made to predict what will happen.
- Performance is optimized against plan.
- Investments in Supply Chain capabilities are increased.

Yet, this has triggered nonproductive finger-pointing and disappointing results.

Somethings is missing – it is time to pursue a bold leap in Supply Chain performance.

IN THE DIGITAL AGE, A SUPPLY CHAIN STRATEGY IS IMPERATIVE TO ACHIEVE SUSTAINABLE ADVANTAGE

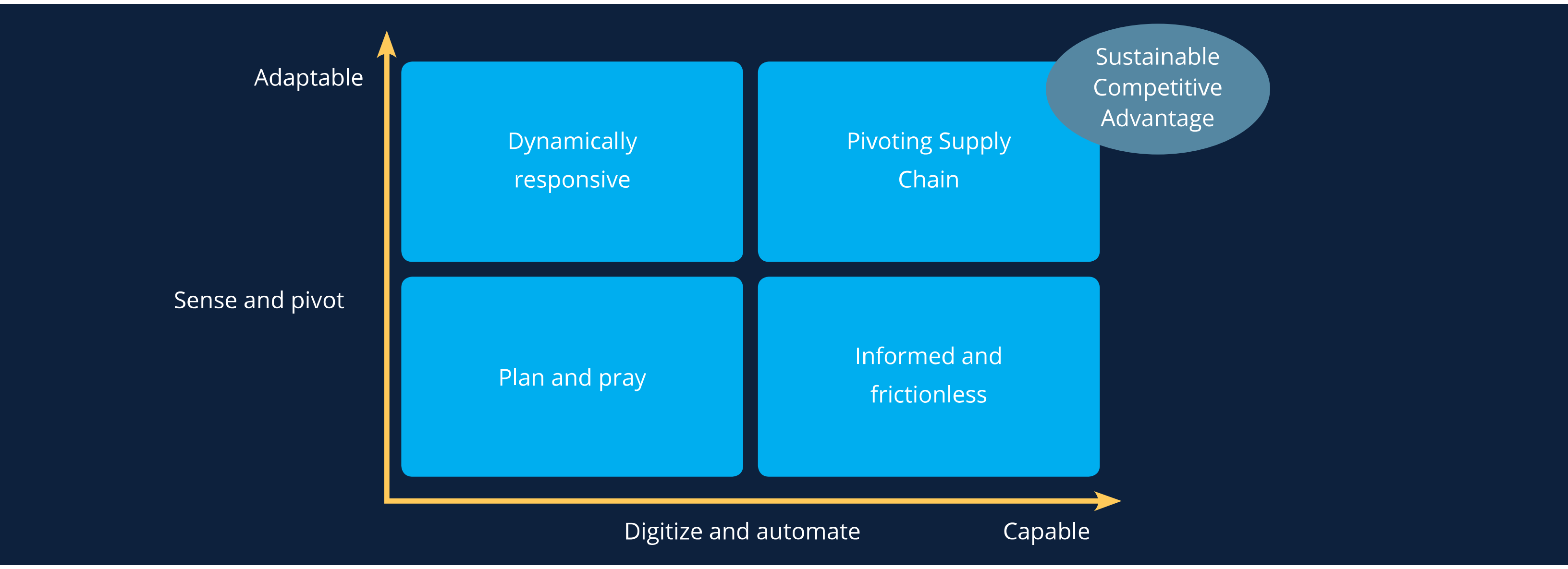
DIGITAL SUPPLY CHAIN – STRATEGY

Supply Chains must be better informed, more frictionless, more cost-efficient, and capable.

To achieve a sustainable Competitive Advantage, a Supply Chain Strategy in the Digital Age must follow a 2-prong approach:

1. **Sense and Pivot**
   Enhanced adaptability to perform against the unplannable.

2. **Digitize and Automate**
   Enhanced capability to execute against plan.



A blend of strength makes companies better prepared for change and allows the creation of more value.

Source: Why Supply Chains Must Pivot, MIT Sloan Review, 2018

SENSE AND PIVOT IS A DIGITAL SUPPLY CHAIN STRATEGY FOCUSED ON BUILDING ADAPTABILITY OF SUPPLY CHAINS

1. SENSE AND PIVOT – OVERVIEW

STRATEGY

Sense and Pivot

Description

Enhancing adaptability to perform against the unplannable.

IMPACT

- Creates greater flexibility across the Supply Chains.
- Develops new processes, governance, and ways of working that leverages technological capabilities being advanced.
- Makes planning, manufacturing, distribution, and logistics more adaptive toward demand volatility, customer expectations for personalization, and an increasingly unpredictable operating environment.

CASE STUDY: LEADING COSMETICS COMPANY

- Decisions concerning escalation and cost vs. service trade-offs are moved from headquarters out to the field.
- Rapid adjustments are made by managers on the field based on "what if" decision analytics.

Giving people across the Supply Chain more power to pivot can result to improved reliability and more efficient value chain.

ORGANIZATIONS MUST MAKE ITS SUPPLY CHAIN SENSE AND PIVOT A SIGNIFICANT ENDEAVOR

1. SENSE AND PIVOT – APPROACH TO PIVOTING

A Supply Chain Sense and Pivot approach undertakes a 3-step structured process.

PRIORITIZE

- Focus first on Supply Chain elements most susceptible to disruption and carry the most negative impact.
- Apply on new product launches, new distribution channels, new market vertical or geographic region.

EXPERIMENT

- Be more agile.
- Take bold action even without perfect data or uncertainty of working exists.
- Do not fall in love too quickly with successful experiments.

SCALE

- Assess whether the new approach will work at scale.
- Determine the cost to build and its long-term return.

Developing a flexible Supply Chain can turn volatility and unpredictability into sources of Competitive Advantage.

DIGITIZE AND AUTOMATE IS A DIGITAL SUPPLY CHAIN STRATEGY FOCUSED ON BUILDING CAPABILITY OF SUPPLY CHAIN

2. DIGITIZE AND AUTOMATE – OVERVIEW

STRATEGY

Digitize and Automate

IMPACT

- Better informed, more frictionless, more cost-efficient, and capable Supply Chains.
- More accurate forecasts achieved.

Description

Building capability to execute against plan.

CASE STUDY: LEADING COSMETICS COMPANY

- Smart prediction, enabled by Artificial Intelligence, used to provide point-of-sale data showing precise SKU volumes.

Embracing digital advancements can provide organizations real-time data for a more reliable Value Chain.

THE DIGITAL AGE CALLS FOR A NEW APPROACH TO SUPPLY CHAIN RESILIENCE

2. DIGITIZE AND AUTOMATE – SUPPLY CHAIN RESILIENCE

Based on a survey of 30 global companies by the Center for Global Enterprise (CGE), 88% have incorporated elements of the digital Supply Chain into their business.

Game changing technologies, such as Internet of Things (IoT), Robotic Process Automation (RPA), and Robotics are being adopted.

Yet, despite benefit of Digital Technologies, companies have not reached the optimal level of Supply Chain resilience.

- Ability to respond has not advanced despite Big Data being used to identify Supply Chain risks and create early warning systems with much greater speed and precision.
- Gap between risk identification and risk response promises to become more severe as the rate of digitization accelerates.

The digitization of Supply Chains has introduced new demands on company operations that require a different approach to building Supply Chain resilience.

To keep pace with the changing landscape, companies need to develop ways to automate resiliency.

Source: Automating Supply Chain Resilience Should be High on Your Digital Agenda, MIT Sloan Review, 2018

POTENTIAL DISRUPTIONS CAN BE ADDRESSED USING THE BEST RESILIENCE STRATEGY

2. DIGITIZE AND AUTOMATE – RESILIENCE STRATEGIES

CGE characterizes a Digital Supply Chain as a customer-centric platform model that captures and maximizes utilization of real time data from a variety of sources.

If a potential disruption is detected, the system decides on the best mitigation strategy and executes that strategy.

There are 4 strategies companies use to make Supply Chains more resilient. Yet, only automation and smart software can provide a speed of response required in building a resilient Digital Supply Chain.

1. Diversification of the Supplier Base
2. Establishing of Safety Stocks
3. Planning for Spare Transportation Capacity
4. Automation and Smart Software

CASE STUDY

Loaded freight container equipped with sensors that track the temperature and humidity of goods in real time.

- Data is analyzed using advanced business intelligence rules shared with authorized entities in the extended Supply Chain.
- Involved parties can take remedial action to solve a problem detected.
- Selected information can be exchange with relevant government agencies for auditing, control, and inspection.

Automation and smart software are effective tools to minimizing disruptions on business operations.

TRUE CYBER RESILIENCE IS FACED WITH INTEGRATION CHALLENGES DESPITE ITS BENEFITS

2. DIGITIZE AND AUTOMATE – INTEGRATION CHALLENGES

One critical issue is how to integrate new tools and systems into Digital Supply Chains.

There are 5 challenges to integration, arranged below in order of importance.

1. Creation of robust information collection and sharing
2. Exploitation of Business Intelligence (BI) rules
3. Establishment of public-private partnerships (P3)
4. Data Confidentiality
5. Cybersecurity

- Lack of technical skills and financial resources to build the required infrastructure.
- Lack of standardization to allow communication across IT systems.
- More work required to assess risks associated with digital Supply Chains, develop business intelligences rules to manage risks, and automate management processes.
- Increased reliance of government on private sector resources to secure Supply Chains.
- Uncertainty of sharing sensitive information via a digital platform.
- Vulnerability to security breaches by criminals such as cargo thieves.

Putting more effort into digitizing and automating resilient Supply Chains can improve organization's response to disruption.

AUTOMATION SOLUTIONS ARE MAKING PROGRESS TO MAKING FULLY AUTOMATED CYBER RESILIENCE A REALITY

2. DIGITIZE AND AUTOMATE – AUTOMATION SOLUTIONS

The European CORE (Consistently Optimized Resilient Supply Chain ecosystems) project plans to test and demonstrate systems that automate Supply Chain risk mitigation plans in the next 2 years.

Three Living Labs are being coordinated.

- Hardware and software that collect data, and identify and monitor relevant Supply Chain risks are developed and tested.
- Information is used to optimize the performance of Supply Chains and to simplify the exchange of data with cross-border agencies.

Automation Solutions are essential if Digital Supply Chains are to deliver dramatic cost savings and service improvements.

Somethings is missing – it is time to pursue a bold leap in Supply Chain performance.

REMOVING ORGANIZATIONAL SILOS

STRATEGY 1: Align leaders

STRATEGY 2: Create cross-functional teams

STRATEGY 3: Create clear roles and responsibilities

STRATEGY 4: Co-locate teams

STRATEGY 5: Create Joint Incentives

STRATEGY 6: Create a "two in a box" Leadership

STRATEGY 7: Clarify decision rights

1. Get leaders ready for change
2. Get teams ready for change
3. Set the team up for success
4. Lead the team

BREAKING DOWN SILOS IS THE 21ST CENTURY COMPANY'S MOST STRATEGIC APPROACH TO DEALING WITH MARKET DISRUPTION

Staying competitive in the face of increasingly accelerated disruption can be a challenge to 21st century organizations. Many organizations have started to rethink and retool their offerings and operation. This kind of Transformation, however, requires a collaborative effort from all parts of the organization, no matter how different their processes, systems, and cultures have been in the past.

Often, the Transformation effort falls flat due to problems that arise when disparate parts of the company fail to work together with a shared sense of mission. Most large companies have divisions, or even groups and functions within divisions, that operate in silos. This can be for a good reason. In the Knowledge Economy, professionals need to work with people who possess similar professional skills to fulfill specific mandates. Silos can exist to harness knowledge-based skills, or specific job functions, or they can be geographic. In many industries, silos are vital to productivity. But when organizational Transformation is needed, it is a different story.

Silos, during Transformation, mean that the very parts of our company that must work together are unaccustomed to doing so, and are even unable to communicate with one another. They are culturally misaligned, inherently mistrustful, and territorial. These problems can complicate Change efforts, or delay or derail delivery of their benefits.

This article highlights 7 critical strategies when breaking down silos become essential in achieving successful Business Transformation.

1. Align leaders
2. Create cross-functional teams
3. Create clear roles and responsibilities
4. Co-locate teams
5. Create Joint Incentives
6. Create a "two in a box" Leadership
7. Clarify decision rights

These 7 critical strategies will help organizations harness the right mix of knowledge and skills needed to bring about large-scale change.

Mastering the best approaches to breaking down silos can build and empower cross-functional teams.

REMAINING COMPETITIVE CAN BE A CHALLENGE FOR DEEPLY ENTRENCHED SILOED COMPANIES

ORGANIZATIONAL SILOS – OVERVIEW

Conventional wisdom holds that silos are flawed business construct: a legacy of command and control leadership symbolizing outmoded and inefficient management. But, in truth, silos can help establish boundaries and maintain order.

	DURING NORMAL OPERATION	The positive effect of silos outweighs the negatives.
	DURING TRANSFORMATION	Silos can be stubborn obstacles to creating a more effective path to growth and profitability.

Statistics from PwC's 2015 Global Operations Survey showed that companies seldom successfully work across silos.

- 36% prioritizes a few cross-functional capabilities at the company level and expects functional leaders to contribute to the mission.
- 55% works in silos, with each function making its own decision on which capabilities matter most.
- 61% believes that strategic goals can be reached by collaborating across functions, paired with faster decision making.

Source: Seven Strategies for Breaking down Silos, PwC, 2016

THERE ARE 3 PRIMARY SOUND BUSINESS REASONS FOR SILOS

ORGANIZATIONAL SILOS – COMMON CAUSES

Organizational silos emerge in response to the dynamic requirement of organizations and market.

	DESCRIPTION	SITUATION	RESULT
COMPANIES VALUE DOMAIN EXPERTISE	Specific functions require equally specific skills.	• Employees follow vertical career paths, staying within a functional group. • Little opportunity for individuals to bring knowledge from one area to another.	Less value placed on general capabilities, creating resistance, or lack of respect for managerial and leadership skills that broad-based change initiatives demand.
DIVIDED OWNERSHIP OF PROCESSES	Decentralized services or fractional ownership of cross-business processes.	• Optimization of part of operation with little regard on its effect on other owners and customers. • Development and adoption of own system by process owners, lines of business, and functions.	Uncoordinated overlap or a plethora of unintegrated platforms.
BUSINESS UNITS AND FUNCTIONS ARE GEOGRAPHICALLY DISPERSED	Companies of certain size, scale, and scope with multiple locations.	• Line of business or function established in specific location. • Acquisitions or entry into new markets.	• Sense of separation from the rest of the company. • Increased cultural disconnects.

Silos do not inevitably prevent success – there are pros and cons to silos.

Source: Seven Strategies for Breaking down Silos, PwC, 2016

NOW, LET'S COMPARE THE PROS AND CONS TO THESE 3 REASONS TO HAVE ORGANIZATIONAL SILOS

ORGANIZATIONAL SILOS – PROS AND CONS

Understanding the pros and cons of every siloed business scenario will balance the scale towards taking a new step forward to change.

	PROS	VS. CONS
COMPANIES VALUE DOMAIN EXPERTISE	Most individuals are highly knowledgeable about their areas. Experts rise rapidly to the top of functional management.	Little opportunity for the development of cross-functional knowledge sharing. General management skills may be lacking.
DIVIDED OWNERSHIP OF PROCESSES	"Divide and conquer" mentality may mean processes are "optimized" within a given functional area or process step.	True end-to-end process optimization is difficult. Platforms and investments are uncoordinated or duplicative.
BUSINESS UNITS AND FUNCTIONS ARE GEOGRAPHICALLY DISPERSED	Diverse and global talent pool. Labor arbitrage opportunities. Tighter management of downstream resources. Proximity and access to key markets.	Culture, language, and time zone differences compound the effects of existing silos.

Source: Seven Strategies for Breaking down Silos, PwC, 2016

COMPANIES MUST TAKE ACTION TO COMBAT PROBLEMS THAT SILOS CAN CAUSE

ORGANIZATIONAL SILOS – BREAKING DOWN SILOS

Common problems associated with silos can be identified, anticipated, and counteracted by best practice solutions. This can build trust and improve chances of successful adoption.

When faced with potential market disruption, siloed companies must take action and break down these silos. There are 4 critical actions companies must take. Each action has a strategic intervention that must be undertaken to achieve change.

STRATEGY 1: Align leaders

1 Get leaders ready for change

STRATEGY 2: Create cross-functional teams

STRATEGY 3: Create clear roles and responsibilities

2 Get teams ready for change

STRATEGY 4: Co-locate teams

STRATEGY 5: Create Joint Incentives

3 Set the team up for success

STRATEGY 6: Create a "two in a box" Leadership

STRATEGY 7: Clarify decision rights

4 Lead the team

Attacking silos strategically can influence Transformation in an empowering manner.

Source: Seven Strategies for Breaking down Silos, PwC, 2016

ALIGN LEADERS IS THE FIRST STRATEGY TO BREAKING DOWN SILOS THAT IS FOCUSED ON CLARIFYING THE PATH FORWARD

STRATEGY – ALIGN LEADERS

ACTION Get leaders ready for change

STRATEGY Align Leaders

CHALLENGE

- Unclear path forward.

DESCRIPTION

- It is clear that change is needed, but the path forward is unclear.

SYMPTOMS

- Warring, competing agendas at the top.
- Inertia at the bottom among those not yet directly affected by the changing market.
- Confusion among the rank-and-file about what to do day-to-day to enable strategy.

RECOMMENDATIONS

- Align senior leaders to clarify the path forward.
- Establish the appropriate governance to provide guidance along the way.

Day-to-day involvement must transition from those leading a change program to those running the business on an ongoing basis.

THE SECOND STRATEGY IS CREATING CROSS-FUNCTIONAL TEAMS THAT IS GEARED TOWARDS ENCOURAGING INDIVIDUALS TO THINK FUTURE STATE AND COLLABORATE

STRATEGY – CREATE CROSS-FUNCTIONAL TEAMS

ACTION Get teams ready for change

STRATEGY Create cross-functional teams

CHALLENGE

- Siloed teams struggle with cross-functional problems.

DESCRIPTION

- Siloed teams are assembled and struggle to solve cross-functional problems.

SYMPTOMS

- Siloed teams assembled – teams composed of people who have a history of successfully working together.
- Failure of individuals from different functions to think future state and collaborate.

RECOMMENDATIONS

- Create cross-functional work streams and teams.
- Pay attention to size and not just the composition of the team

In large teams, responsibility is often diffuse, which can lead to stalling of efforts.

CREATING CLEAR ROLES AND RESPONSIBILITIES IS A THIRD STRATEGY THAT AIMS TO CLARIFY PRIORITIES AND EXPECTATIONS

STRATEGY – CLEAR ROLES AND RESPONSIBILITIES

ACTION Get teams ready for change

STRATEGY Create clear roles and responsibilities

CHALLENGE

- Teams are confused on priorities and expectations.

DESCRIPTION

- Freed from natural comfort zones and power structures of their silos, employees in cross-functional teams are uncertain of priorities and expectations.

SYMPTOMS

- Employees not knowing what to do, whom to listen to, or how to balance the demands of day jobs with new company or team needs.

RECOMMENDATIONS

- Determine clear roles and responsibilities for team members.
- Determine who is accountable for final sign-off and who in the business and function must be informed if there is a joint team.
- Create strong process feeders or global process owners who can drive horizontal integration.

In large teams, responsibility is often diffuse, which can lead to stalling of efforts.

CO-LOCATING TEAMS DURING TRANSFORMATION IS THE FOURTH STRATEGY THAT ADDRESSES PROBLEMS ON COLLABORATION, COMMUNICATION, AND PLANNING

STRATEGY – CO-LOCATE TEAMS

ACTION Set the team up for success

STRATEGY Co-locate teams

CHALLENGE

- The organization is global and so are the teams.

DESCRIPTION

- Global teams run into complexity with scheduling and limited time together.

SYMPTOMS

- Global teams working on cross-functional efforts have scheduling problems and reduced time to work together.

RECOMMENDATIONS

- Keep teams in same physical location to facilitate communication, collaboration, and planning which can be extensive.

Co-locating can pave the way for stronger collaboration and better communication when going forward.

THE FIFTH STRATEGY IS CREATING JOINT INCENTIVES THAT IS GEARED TOWARDS ENABLING CROSS-FUNCTIONAL TEAMS TO WORK WELL TOGETHER

STRATEGY – JOINT INCENTIVES

ACTION Set the team up for success

STRATEGY Create joint incentives

CHALLENGE

- Cross-functional teams do not work well together.

DESCRIPTION

- Joint or blended teams do not "play well together."

SYMPTOMS

- Individuals in cross-functional teams revert to cliquishness that can border on high school lunchroom behavior when confronted with new team members, new ways of working, and different metrics.
- Existence of process-oriented silos, with each part of the process optimizing its part without thinking about the upstream or downstream impact.

RECOMMENDATIONS

- Create joint deliverables, metrics and incentives to get people to work together more cohesively.
- Ensure that year-end reviews and bonuses tie joint or blended team leaders to overall desired outcomes.

Creating joint incentives ensures that decisions made is for the good of the entire organization and not for individual siloed functions.

THE SIXTH STRATEGY IS CREATING "TWO IN A BOX" LEADERSHIP – A STRATEGY THAT ADDRESSES POLITICAL CHALLENGES

STRATEGY – "TWO IN A BOX" LEADERSHIP

ACTION Lead the team

STRATEGY Create "two in a box" Leadership

CHALLENGE

- Single leader creates political challenges.

DESCRIPTION

- Businesses assign a single leader to a cross-functional team made up of people from different silos.

SYMPTOMS

- The choice of a single leader coming from one of the silos appears political and generates resistance.

RECOMMENDATIONS

- Designate co-leaders.
- Appoint two leaders of significant status in the company or "two in a box" leadership.
- Ensure that every initiative has 2 executive sponsors directly reporting to a senior executive.

Application of "two in a box" leadership enforces accountability and encourages collaboration on all fronts.

THE FINAL STRATEGY IS CLARIFYING DECISION RIGHTS – AN EFFECTIVE STRATEGY WHEN CONSENSUS IS NOT REACHED

STRATEGY – CLARIFY DECISION RIGHTS

ACTION Lead the team

STRATEGY Clarify decision rights

CHALLENGE

- Consensus can't be reached.

DESCRIPTION

- Leaders can't reach consensus.

SYMPTOMS

- Conflicts are inevitable.
- While having two leaders, their equal stature can result in a standoff.

RECOMMENDATIONS

- Clarify who has the final decision-making authority.
- Create a situation where 2 people have the decision-making authority and must jointly make the final decision.

Decision-making authority may sometimes need to go to a third party to serve as a tiebreaker.

VIRTUAL TEAMS:
CHALLENGES & BENEFITS

Virtual Communication

Virtual Project Management

Talent Development & Management

Technology Support

VIRTUAL TEAM IS AN EMERGING NEW-AGE TREND FACED WITH CHALLENGES AND BENEFITS

ARTICLE OVERVIEW

To quote, Richard Branson, a British business and philanthropist, “One day, offices will be a thing of the past.”

While organizations still need to travel to reach their physical offices, the rapid changes in the world is requiring businesses to form Virtual Teams. A Virtual Team refers to a group of individuals who work together from different geographic locations and rely on communication technology such as email, voice conferencing services, fax, etc.

Virtual Teams work well for an organization and is effective even from a communication perspective. Studies from previous years have shown that well-managed, widely spread, Virtual Teams have been outperforming those that share office space. In fact, it has shown that using Virtual Teams can improve employee productivity by 45%.

In today’s highly competitive global economy, to be able to work smarter, organizations must be able to leverage the manifold benefits of a remote workforce. Likewise, organizations must also be able to manage challenges that comes with working with Virtual Teams.

This article provides organizations a good perspective of working with a remote workforce, along with its challenges and benefits. There are 4 core challenges organizations must prepare itself to be able to lead remotely.

1. Virtual Communication
2. Virtual Project Management
3. Talent Development & Management
4. Technology Support

Having a good grasp of the core challenges will enable organizations to better manage their remote workforce and maximize its benefits.

Managing challenges and seizing the benefits of remote workers is easy; organizations just need to have appropriate support programs to give Virtual Teams a home-field advantage.

VIRTUAL WORK OFFERS TREMENDOUS BENEFITS FOR BOTH WORKERS AS WELL AS ORGANIZATIONS

RISE OF VIRTUAL TEAMS

The number of people working remotely has been increasing progressively across the globe.

An employee benefits report narrates that around 60% companies in the US offer telecommuting opportunities. According to Upwork, freelancers and contractors have increased by 81% from 2014 to 2017.

Telecommuting not only benefits people but also presents several advantages for organizations. Research has attributed an increase in savings of around $2,000 per employee each year on real estate costs, enhanced productivity, and lower attrition rates to telecommuting. Employees have been found to focus better on work and take less days off while operating remotely.

However, some global enterprises have encountered problems with remote teams.

For managers and leaders who deal with Virtual Teams, communication—which gets messy in the absence of face-to-face settings—is the foremost issue. Additional issues and concerns include:

- Ensuring all team members are connected and striving towards the same organizational goal
- Recording accurate hours
- Assigning appropriate tasks
- Trust
- Teamwork

Addressing these challenges—through proper identification and remedial of issues related to telecommuting—helps create an agile, well-connected, global team.

Source: Challenges to Managing Virtual Teams, Bakken, Harvard, 2018

LEADING REMOTELY INVOLVES GRAPPLING WITH PROBLEMS IN 4 KEY AREAS

CORE CHALLENGES OF VIRTUAL TEAMS

A 2018 study found that 70% of professionals globally are telecommuting at least once a week; 53% work remotely half the week or more. These are the full-time employees, not the freelancers or folks who are self-employed.

Leading remotely, organizations are faced with 4 core challenges.

Virtual Communication

Virtual Project Management

Talent Development & Management

Technology Support

With virtual teams growing, leaders must evolve strategies for managing both people and technology in an increasingly distributed workforce.

Source: Leading Remotely, Johnson, MIT Sloan Review, 2019

VIRTUAL COMMUNICATION IS A CORE CHALLENGE, ESPECIALLY WHEN DIFFERENT TEAM MEMBERS LIVE IN DIFFERENT TIME ZONES

VIRTUAL COMMUNICATION – OVERVIEW

CORE CHALLENGE	Virtual Communication

FUNDAMENTAL CHALLENGES

- Time differences that can lead to layers of complexity to the logistics of everyday communication.
- Time zones that do not match leading to less information transmitted.
- Text-based communications like email or instant messaging cannot convey as much meaning compared to vocal tone, facial expression, and physical gestures.
- Audio and video chats do not give a broad view of body language

PROPOSED REMEDY

- Continue to strive making all communication as clear and consistent as possible.
- Be patient with employees when miscommunication occurs.
- Understand that people have different comfort levels in technology and preferred modes and styles of communication.
- Take time to understand the idiosyncrasies of each employee.

Inability to invest on meeting where employees are and speaking their language can lead to missing out opportunities to connect with employees on a deeper level.

TO BETTER MANAGE A VIRTUAL TEAM, WE MUST ESTABLISH CLEAR GOALS, CONDUCT FREQUENT MEETINGS, COMMUNICATE CLEARLY, AND LEVERAGE PEOPLE'S STRENGTHS

VIRTUAL COMMUNICATION – COMMUNICATION TACTICS

Most leaders believe that the increasing sophistication and proliferation of collaborative technologies enable better virtual communication. However, research, on globally scattered teams, link performance not with the technologies but with effective utilization of these technologies.

A large study on Virtual Teams asked peers—who had worked together for some time—to rate one another on virtual communication behaviors and tactics. The peer assessments focused on 5 communication tactics and best practices:

- SELECT THE FITTING TECHNOLOGY
- CLEAR
- STAY IN SYNC
- BE INCLUSIVE
- BE RESPONSIVE

ASSESSMENT RESULTS

The assessment revealed that teams with higher scores on the 5 communication tactics also received higher scores from their leaders on producing quality deliverables, timely completion of tasks, collaborating productively, and meeting or exceeding their targets.

The study found a strong relationship between virtual communication effectiveness and overall performance.

The team scoring higher on communication significantly outscored other teams in performance.

Source: Five Ways to Improve Communication in Virtual Teams, Sloan Management Review, Hill and Bartol, 2018

VIRTUAL PROJECT MANAGEMENT IS A CORE CHALLENGE OF THE NEED TO HAVE PROPER SYSTEMS AND PEOPLE IN PLACE

VIRTUAL PROJECT MANAGEMENT – OVERVIEW

CORE CHALLENGE	Virtual Project Management

FUNDAMENTAL CHALLENGES	PROPOSED REMEDY
While digital tools facilitate remote project management and collaboration, it can also make it harder to tell what each person is contributing.	Be proactive in reaching out and teaching people how to manage up effectively so that they can advocate for themselves. Stay in close contact with people to avert problems.

Relying solely on updates via digital tools can lead to under- or over-appreciation in the best-case scenario and misattribution and resentment in the worst.

TALENT DEVELOPMENT & MANAGEMENT IS A CORE CHALLENGE OF EFFECTIVELY MANAGING PEOPLE WITH DIFFERENT S-CURVE OF LEARNING

TALENT DEVELOPMENT & MANAGEMENT – OVERVIEW

CORE CHALLENGE → **Talent Development & Management**

FUNDAMENTAL CHALLENGES

- People in organizations belong in different point in the S-curve of learning.
- Different approach in management required for people with different engagement level.

PROPOSED REMEDY

- Maintain an equal mix of employees at different point of the curve to achieve to maximize results.
- Establish a proper system of training and mentoring new hires to cultivate skills and gain valuable insights.
- Employ employees at the launch point of the curve to generate fresh ideas and promote innovation.
- Employ a team of seasoned pros with a full tool belt of skills and strong performance history.
- Strongly take the temperature of employees at the high of the S-curve and manage their engagement level with novel tasks.

Productivity and boredom can be a great challenge for offsite employees; engaging them with novel tasks is essential.

TECHNOLOGY SUPPORT IS A CORE CHALLENGE RELATIVE TO THE AVAILABILITY AND RELIABILITY OF TECHNOLOGY ACROSS BUSINESS

TECHNOLOGY SUPPORT – OVERVIEW

CORE CHALLENGE	Technology Support

FUNDAMENTAL CHALLENGES

- Non-universality of good internet.
- Inequal access to reliable technology, internet, and technology support.

PROPOSED REMEDY

- Have a good understanding of everyone's situation.
- Construct a backup plan during technical difficulties.

Business must reevaluate assumptions on technology support when working with offsite employees.

REMOTE WORKFORCE CAN POSITIVELY IMPACT ON BUSINESS

CORE BENEFITS – OVERVIEW

In today's highly competitive global economy, working smarter means leveraging the manifold benefits of a remote workforce.

There are top 5 benefits of remote workers.

Increased Productivity

Getting more done and willingness to go the extra mile.

Reduced Turnover

Willingness to stay with organizations that enable them to work remotely.

Increased Savings

Reduced spending of company leading to significant amount of money saved.

Increased Wellness

Incurring less absences even during cold and flu season.

Easier Access to Top Talent

Opening opportunities to employing the best and the brightest.

Seizing the benefits of remote workers can give a great boost to productivity.

Source: 5 Benefits of a Remote Workforce, Highfive, 2017

INCREASED PRODUCTIVITY IS A BENEFIT WHERE ORGANIZATIONS CAN EXPECT TO HAVE MORE THINGS DONE

BENEFIT – INCREASED PRODUCTIVITY

CORE BENEFIT

Increased Productivity

DESCRIPTION

- Getting more things done.
- Willingness to go the extra mile in exchange for the privilege of working from wherever they wish.

SURVEY RESULTS

- 53% of remote employees are willing to work overtime.
- 45% of home workers report they are able to work smarter (get more done in less time).
- 44% are less distracted and accomplish more than in the office.
- 90% of managers report employees are more productive when given the flexibility to choose when and how they work.

One of the strongest arguments for incorporating remote workers into the workplace routine is all researches point to major increases in productivity.

REDUCED TURNOVER IS A BENEFIT FOCUSED ON KEEPING WORKERS WITH THE ORGANIZATION FOR YEARS

BENEFIT – REDUCED TURNOVER

CORE BENEFIT

Reduced Turnover

DESCRIPTION

- Willingness to stay with organizations that enable workers to work remotely.

SURVEY RESULTS

- 73% of remote workers report higher satisfaction with their jobs.
- 53% of remote workers are not leaving their jobs in the next year.
- 82% of employees are more loyal to employers that offer flexible work options.
- 95% of employers say that remote work has had a major impact on employee retention.
- 39% of employees have not taken a new job or have quite a job due to inflexible work options.

Sending workers home is one of the best ways to keeping employees around for years.

INCREASED SAVINGS IS A BENEFIT THAT SAVE ORGANIZATIONS A SIGNIFICANT AMOUNT OF MONEY

BENEFIT – INCREASED SAVINGS

CORE BENEFIT

Increased Savings

DESCRIPTION

- Savings for the company in the form of less money spent on office real estate, furniture, janitorial services, electricity and other overhead costs.
- Reduced spending on the purchase and maintenance of technology.

SURVEY RESULTS

- (Inc. Magazine) Remote employees save $2,000 and $7,000 per year on transportation, clothes, food and child-care.
- (Global Workplace Analytics) Savings of 50% of workforce worked from home half of the time would be over $700 billion a year.
- Businesses would save over $500 billion annually in real estate, electricity, absenteeism, and turnover, or approximately $11,000 per employee.
- National productivity would increase by 5 million man-hours or about $270 billion.
- Remote employees would save 2 billion gallons of gas by commuting less, which equals 37% of US Persian Gulf imports.

Empowering workers to engage in remote work saves both company and employees a significant amount of money.

INCREASED WELLNESS IS A MAJOR BENEFIT THAT ALLOWS COMPANIES TO BREEZE THROUGH COLD AND FLU SEASON WITH SIGNIFICANTLY LESS ABSENCES

BENEFIT – INCREASED WELLNESS

CORE BENEFIT

Increased Wellness

DESCRIPTION

- Zero chance of people spreading germs to one another.
- Ensures continuity of work in the event of a pandemic or disaster.
- Lower levels of stress at work and increased work/life balance.

SURVEY RESULTS

- 75% of remote workers continue to work in the event of flu, terrorism, roadway problems, and weather-related disasters.
- Unscheduled absences cost companies over $300 billion a year, or $1,800 per employee.
- 63% fewer unscheduled absences reported by companies with remote work options.

With increased wellness, remote workers spend more time being productive and less time going to the doctor.

EASIER ACCESS TO TOP TALENT IS A BENEFIT THAT OPEN OPPORTUNITIES FOR COMPANIES TO HIRE THE BEST AND THE BRIGHTEST

BENEFIT – EASIER ACCESS TO TOP TALENT

CORE BENEFIT

Easier Access to Top Talent

DESCRIPTION

- Hiring talents beyond the organization's geographical area.
- Ability to find top talent outside of the company commuting radius.

SURVEY RESULTS

- 70% of employees consider the ability to work remotely to be important in choosing their next job.
- Flexible work arrangements rated as an 8 out of 10 for impact on job satisfaction.

Flexible work arrangements rated as an 8 out of 10 for impact on job satisfaction.

A flexible workforce is considered a scalable solution that avoids overstaffing and layoffs.

TAX PLANNING–

THE SIMPLE WAY

Tax planning is very important if you want to make sure that your income tax return is filed quickly, effectively, accurately, and painlessly. Through careful tax planning, you can have everything you need to file your income tax return at your fingertips whenever you are ready to file. Tax planning is also helpful in the case where your income tax return is brought up for audit by the Tax Administration of Jamaica (TAJ).

Tax planning is essentially tracking your income tax deductible items as they come up, and keeping records organized and handy in case they are needed. The most important tool for tax planning applicable to “small business operators” is a small filing cabinet. Note I stated “small business operators” since effective electronic filing systems are also available for Business Operators who have the financial resources to acquire them. You can use this filing cabinet to file your tax planning documents and receipts, as well as keep track of previous tax returns filed and other important documents such as Birth Certificates and Tax Registration Numbers (TRN), Certificates of Incorporation, etc.

The file cabinet you get to use for your tax planning should be fireproof and have a lock. That way your tax planning documents are safe in almost any disaster, and other people cannot easily gain access to your tax planning and other important documents.

Part of tax planning is making sure that you are aware of what expenses are tax deductible. You cannot engage in tax planning and track tax deductible expenses if you don’t know what you should be tracking! The Tax Administration of Jamaica (TAJ) offers many publications on this subject. However, if you have any questions about income tax deductible items you should contact a qualified and experience tax professional.

Once you know what tax-deductible expenses you will need to track for the coming tax year, you need to set up a tax planning record keeping system. This can be a simple receipt book, expanding file, index cards, envelopes, or any other method that makes sense to you. Keep in mind, however, as you engage in tax planning, that your tax planning record keeping system should not only make sense to you, but also make sense to your income tax preparer and the Tax Administration of Jamaica (TAJ), if necessary.

At the end of each month, you can add up the totals for the different types of income tax deductible expenses you recorded in your tax planning records for that month. This way, all you must do to discover your tax-deductible amount is add up the totals for each month. The other records you collect and track through your tax planning are simply for proof that you can claim these income tax deductions and are not really needed for preparing your income tax return if you have all of your totals in order.

On the surface, income tax planning may seem complicated and difficult, but with proper organization, tax planning is quite easy. Not only that, but when you engage in income tax planning, you better your chances for that larger income tax refund that you need and deserve. If you have any questions about tax planning, you should contact a tax planning professional or tax accountant today!

Dawgen Global Tax Professionals provides services to all size businesses and assist you with your planning measures.

We share below seven ways for owners of small businesses to save money on their taxes.

1. **Incorporate Yourself:** If you`re still a proprietor or partner of a business, it`s time to incorporate yourself. Not only will you limit your liability, but you may enjoy lower tax rates on small business income and other tax advantages as well.

2. **You can be Home-Based:** You can be home-based and still operate a Limited Liability Company. If possible, continue (or switch to) being a home-based business until you can afford that Corporate Office. Not only will you keep your overheads down, but you will be able to write-off (or deduct) the business use of your home.

3. **Income Split:** Pay reasonable wages to your spouse and children if they assist in the business operations. In this way, you can legally divert income taxed at your higher rate to your family members that are in a lower tax bracket.

4. **Rearrange Your Affairs for Maximum Tax Savings:** Can you make some changes to turn your hobby into a moneymaking business? Can you use that extra room in your house as a home office for your business? Can you arrange to use your car more for business purposes? Can you arrange for more of your entertainment expenses to be business related?

5. **Document Your Expenses Well:** Do you document your expenses well so that they would survive a tax audit? Have you kept a mileage log so that you can prove the percentage business use you claim for your vehicle? Have you kept receipts for all your entertainment expenses and listed the business purpose on the back of each receipt?

6. **Be Punctual:** File all returns and pay all taxes due (income, payroll, sales, et cetera) on time. This way, you avoid expensive late filing (and payment) penalties and interest.

7. **Develop a Tax Planning Mindset:** Some people only worry about their taxes during tax season. However, you will save a fortune in taxes, legally, if you make tax planning your year-round concern. Do you make business and personal purchases, investments, and other expenditures with tax savings in mind?

8. **Get Tax Advice:** It is important for you to get tax advice before you acquire significant Assets (Including buying your home). The Tax Advisor is important just like the attorney.

At Dawgen Global we help you make Smarter and More Effective Decisions

Let’s have a conversation!! Contact us at:

Global Contact
Email: info@dawgen.global
Website: https://dawgen.global

Telephone Contact Centre:
Caribbean: 876-926-5210/ 876-929-2518/ 876-627-9048
USA: 786-456-5990

About Dawgen Global

Dawgen Global is an integrated multidisciplinary professional service firm. We are integrated as one firm and provide several professional services including: Audit & Assurance /Accounting /Business Processing Outsourcing (BPO) /Legal and Tax/Advisory/Risk and Performance.

Our commitment is to make the global local, we are GLOCAL!

At Dawgen Global we help you make Smarter and More Effective Decisions.

Dawgen Global provide several business solution services including Human Resources Solution

Let us Provide Staff for your Accounting & Finance Department

Option 1

We Provide your Company with:

- Accountant (Full-time & Part-time)
- Accounting Support Staff base on your requirements

Option 2

We Provide your Company with:

- Financial Controller
- Accountant
- Accounting Support Staff base on your requirements

Option 3

We customize a Package for you with the appropriate Team composition (Accountant and Accounting Support Staff)

Global Contact information:
Email: info@dawgen.global
Website: https://dawgen.global

Telephone Contact Centre:
Caribbean: 876-9265210
876-6279048
USA: 786-456-5990

The most important benefits of outsourcing your accounting functions are as follows:

Increased Profitability

Outsourcing allows you to concentrate limited resources on your core business so you can be more profitable. You will be able to spend more time with your customers so your organization can offer them a higher level of service. Focus on your strengths.

Reduced Costs

Requiring less staff time for internal accounting functions will allow you to save employment costs such as salaries, payroll taxes, benefits, training and recruitment expenses. Hire employees that will focus on your main business purpose rather than auxiliary services.

Better Business Decisions Faster

The ability to provide higher quality accounting information faster, more efficiently and with greater effectiveness is crucial. Working with accounting professionals will yield more reliable information to make improved business decisions in less time.

You will not need to spend time and money trying to keep up with an avalanche of new laws, policies, procedures and technologies. Missing critical business signals because you are not able to access the financial information in the form you need it, when you need it, will put you at a distinct disadvantage in today's hyper competitive environment.

Dawgen Global provides professional services that keep your business focused on your critical objectives. We create custom made financial and Human Resource systems based on creative strategies that are always delivered with exemplary customer service. A Dawgen Global professional is happy to meet with you to discuss solutions for your unique requirements designed specifically to maximize all of your business opportunities.

APPOINTMENT OF NEW PARTNERS IN JAMAICA

Crowe Horwath Jamaica (CHJ) ,
Member firm of Dawgen Global ,
is pleased to announce the following Appointments:

- Miss Simone Powell is appointed **Country Partner** for Audit and Assurance Services in Jamaica
- Miss Sashana Robinson **Associate Partner** for Audit and Assurance Services in Jamaica

Miss Powell and Miss Robinson have over five (5) years' experience with the firm and have demonstrated sincere dedication to clients. We congratulate them and look forward to their continued success in the Global firm

Dawgen Global is an integrated multidisciplinary professional service firm. We are integrated as one firm and provide several professional services including: Audit, Accounting, Legal & Tax, IT, Risk and Advisory.

We are organised in Professional Service Units to serve you better. These includes: Dawgen Auditors, Dawgen Advisors, Dawgen Finance, Dawgen Media, Dawgen Tech, Dawgen HR Solution, Dawgen Legal Dawgen Energy, Dawgen Corporate Secretarial Services , Dawgen Logistics

At Dawgen Global we help you make Smarter and More Effective Decisions.

Global Contact information:
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Our commitment is to making the global local, we are GLOCAL!

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