



From the Desk of John F. Morrissey

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Well, we have just completed another very successful tax filing season. Thank you to our entire staff and a special thank you to all of the clients who placed their trust in our services!

I said the “tax filing season” is over, but tax season continues all year long in our office. As most of you know the result of the tax liability on your tax return is

a direct result of the planning that we do with our clients during the year.

For example, we may need to look at capital gains tax in a year when other taxable income is down so that there may be little or no capital gains tax to be paid. However, this may depend on the tax laws at that time. The same may be true of stock dividends and their rate of being taxed.

When we are looking at Minimum Required Distributions from your retirement accounts, it may be advantageous to take more than the minimum in order to save tax later. The same may be true about annuities.

Some things to consider while looking at itemized deductions; when would it be advisable to pay off the mortgage and not have the interest deduction? Is it advisable to double up on charitable contributions? Should I have my Minimum Required Distribution transferred directly to a charitable organization?

There are many issues to be looked at in planning how much you want to pay in taxes; this is why in our office, “Tax Season” never ends.

Focus On The Community



The Morrissey’s have always felt strongly about supporting our community, especially when one of our own employees is passionate about the cause. This was definitely the case recently when an employee asked her co-workers to join her in the Polar Plunge! Of course we said YES, but honestly with a slight bit of hesitation. Who in their right mind jumps into a lake in the middle of winter?

On Saturday, March 4th, several of our brave employees were “Freezin’ for a Reason” at Rock Cut State Park’s Olson Lake as we participated in the annual Law Enforcement Torch Run Polar Plunge for Special Olympics Illinois. Fortunately, the lake this year was above freezing, it was a “mild” 34 degrees!

I know – you’re probably getting cold just thinking about it! But the cold that we felt was just temporary...the positive impact this will have on the lives of athletes with intellectual disabilities in Illinois will last a lifetime. The boys and girls who live every day with a disability are stronger and braver than we will ever be! Plunging for a few minutes in the freezing cold is a nominal way for us to give back to an organization that provides so much for so many. Special Olympics Illinois provides opportunities for more than 22,500 athletes to participate in programs and reveal their inner champion! Over \$110,000 was raised by 365 plungers at the Rockford event alone this year.

Thanks to our family, friends, and colleagues who helped our team raise over \$3,000. We are proud that our team braved the cold to support such a wonderful cause.



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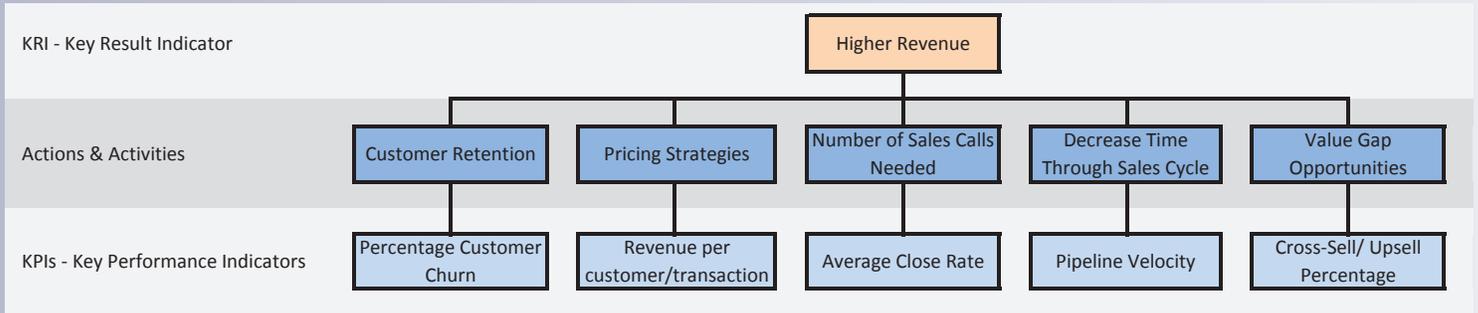
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Key Performance Indicators (KPIs), the actions that drive results

By Alex Campbell
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What does your business dashboard look like? Is it equipped with a GPS navigation system to show you where to go, or does it simply utilize a rearview mirror to see where you've been? A well designed business dashboard should utilize both. **KPIs**, Key Performance Indicators, are the navigation metrics for managers. They provide actionable insight to directly drive specific business goals. **KRIs**, Key Results Indicators, act as the rearview mirror. They purely measure results.



Key Performance Indicators

Properly established KPIs deliver extraordinary vision into how a business is performing and what should be done to impact change. They don't measure results, as results simply tell you what happened not why. KPIs measure the precise actions we take to obtain specific results. KPIs tell you how you got to where you are, helping you understand the next course of action.

KPI's are frequently overused but underutilized. Remember, not all metrics are KPIs. Make sure KPIs are truly KEY, not merely metrics. You should try to limit yourself to 3-5 KPIs that really drive results. We have a tendency to drown ourselves in data, putting together long lists of metrics to track. IBM Big Data and Analytics says, "Every day, we create 2.5 quintillion bytes of data — so much that 90% of the data in the world today has been created in the last two years alone." If you have identified the right KPIs, they can be used as levers to drive your business.

Key Results Indicators

A KRI is a backward looking indicator. It measures the results of your business, not the specific actions. KRIs will tell you what has happened, not why or how. They do not indicate what your next course of action should be. Many businesses are already utilizing KRIs, they just need to identify which ones are KEY. Some companies make the mistake of tracking the results of actions or activities and calling them KPIs. It is undoubtedly important to track goals. You won't know what caused the goal to be achieved, or missed, unless you track the actions or activities that align with those goals. To achieve that, you need to establish KPIs. Revenue, profit, and the number of customers might be good KRIs, but they are not KPIs.

Actions that drive results

Let's put our car into gear. In the illustration above, let's presume that we want to increase revenue to meet our goal. How will we

accomplish this? What levers will we pull on our dashboard? Identifying the key metrics that drive revenue will allow us to focus on the activities that deliver the desired result. We can reduce our customer churn percentage by focusing on customer retention. Knowing our close percentage will help us determine how many proposals we need to deliver to achieve our revenue goals. We can increase our cross-sell percentage by identifying the value gap opportunities with our current customers.

Consider hockey as an example. The number of wins could be considered a KRI; while, shots on goal, time of position, number of penalties, and number of blocked shots compared to the other team would be examples of KPIs. If the activities in the KPIs are met; the wins (KRIs) will take care of themselves.

What does your business dashboard look like? What KPIs deliver results for your business? What levers will you pull to drive your business forward? ♣



Comparison: Laptops vs Tablets

By Frank Laudicina
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Tablets are quite popular nowadays thanks to their compact build, portability, interfaces and a wide range of functions. Have tablets finally reached a point that they can replace a laptop? Let's look at the differences and see which is best for you.

First the biggest difference and most obvious is a lack of a keyboard with a tablet. Tablets rely on touchscreen input and virtual keyboards. Getting used to this style of input could take some time. There are keyboard add-on devices that could remedy

this in a satisfactory way but they do still fall short of the keyboard experience one gets from a laptop. This will add cost and also another device that must travel with the tablet. My opinion is that a laptop wins here.

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Infrastructure. (n.) the underlying foundation or basic framework (as of a system or organization)

By John J Morrissey

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When we hear or discuss infrastructure in the broad sense of our nation or even locally around the Rock River region, we may be referring to roads, bridges, dams, airports, communication systems, and the like. Maybe even storm and sewer management. Infrastructure refers to the bones around which a productive society can be built and sustained. It's the framework. It's not the product on the truck, or even the delivery truck itself. It's the way the delivery truck can get where it needs to go.

What, then, do we mean by infrastructure in the sense of our businesses? What are the core frameworks around which our businesses are built?

Surely, it isn't the core product or service offering. Every business has (or should have) a pretty clear reason for being...a unique offering, a basic value proposition maybe, that appeals to customers or clients, generates revenue, and allows the business to grow and thrive. Some organizations firm this up in a prominent mission statement.

Just as surely, it isn't the people

that make up the business...the product producers or sellers, the service deliverers, the support and repair staffs. Of course, the people are critical to success, but in most cases, I still think they are almost TOO instrumental to be considered infrastructure. We need to be thinking instead about systems.

Lastly, I don't think infrastructure generally means the equipment, the machines, the tools that a business might use to fulfill its role. Oh yes, these tools need to be sharp and precise, and in the hands of skilled users. But we still aren't to the bones of the infrastructure.

Infrastructural bones aren't likely the pieces of a business that are making the money; rather they are there to support its primary efforts: Accounting & Finance. Information Technology. Human Resources Management. Legal. Facilities. These are the kind of secondary or tertiary systems that are there to support the sales, the production, the people and the equipment.

Imagine running a business without

tracking income or expenses. Not typical to be sure, and not likely on a path to success. The accounting systems, therefore, are an important part of the infrastructure. The comprehensive means by which revenue is collected, suppliers and employees are paid, and by which we can measure the successes of our core business efforts, becomes a critical infrastructural element for virtually any business.

At the Morrissey Family Businesses, we are dedicated to providing important infrastructure to businesses. Accounting & Bookkeeping. Payroll systems. Tax Planning. Employee Technologies. Human Resources Management. Our professionals have made it our CORE business to provide expertise to help other businesses with their infrastructural needs.

With our systems, people, and expertise, we believe we can add significant value to virtually any business, helping to firm up the infrastructural foundation and framework, and freeing up a business owner or manager to focus on its own core value propositions. Let us know how we might be able to help you with your business. 🍀



Budget

By Heather Haime

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What's your plan for the coming year? Or the next 2 years? Or even the next 5?

When you have a financial statement prepared, it tells you where you have been. It's a re-cap of how much the business sold and how much it spent to pay for raw materials, employees and other vendors.

But what about next year? Do you have a plan in place to guide spending? Or to drive sales and revenue?

Budgeting and forecasting is a very useful tool to all businesses, whether it is a brand new business that needs to control spending or a very successful business that would like to continue to experience growth. Setting a budget lets you see

when costs will occur and plan when the market conditions are favorable or not (i.e., an ice cream parlor is going to budget much higher sales in the summer than they will in the winter, but rent expense may be the same all year). It also sets goals and targets to work towards. The budget should be realistic and attainable, but yet also challenging to the business. The budget helps to guide what strategic initiatives need to be in place to achieve the goals of the business.

A budget would also allow you to compare actual results to what you were hoping to achieve, analyzing the how's and why's of the differences. This will allow for real-time, immediate decision

making to make necessary changes to get back on track, or to go a different direction.

Planning isn't just for businesses either... an individual may have a financial change forthcoming and may want to know what the tax impact is going to be to them. Or maybe something unexpected happens, like winning the lottery, and you need help ensuring that you fulfill all your tax obligations and/or are ready for them.

The accountants at JMA can help businesses create budgets and help the individual plan for unusual tax circumstances at any point in the year. 🍀

“There are no traffic jams along the extra mile.”
– Roger Staubach–

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*To share ideas or suggestions,
please contact John Morrissey.*

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A Morrissey Family BusinessSM

Comparison...Laptops vs Tablets ...*from page 2*

Battery life is the next consideration. Both devices are designed for power efficiency but laptops use more powerful hardware. Tablets generally use less powerful CPUs and components which is how they achieve up to 8 hours of operation on a single charge. A laptop is designed for up to 4 hours but certain settings could allow for longer operation. Tablets win here.

In order to keep the size and costs down, tablets rely on storage devices that are solid state. While access times on solid state storage memory are considerably faster and require less power, the disadvantage is that drive sizes are still quite small 16-256GB. The top end of SSD drive sizes also adds considerable cost to the device. Most tablets do allow for storage expansion via memory card slot. This of course also adds to the cost. By comparison, most budget laptops come with 500GB hard drive. Advantage goes to laptops here.

What about performance? Since most tablets are based on low powered processors, they will generally fall behind

a laptop on computing tasks. This may not be noticeable on tasks like email and web browsing but it will become more obvious once you start using multiple applications or a task such as video editing. So it depends on what your needs are here, but for high end processing tasks, the laptop wins.

Software is also very important to consider. The software that runs on laptops and tablets can be very different. However, if the laptop runs Windows it can run the same software as a laptop but may be slower. There are some exceptions such as the Microsoft Surface Pro which has the high end Intel I7 processor. This truly is a laptop in tablet form but currently could be more than double the price of a laptop counterpart. That brings us to the final consideration which is indeed cost.

There are essentially three levels of tablets on the market. Most are budget models that cost under \$100 and are good for basic tasks. The next level is \$200-\$400. These are more capable and can do most tasks. Top level tablets can start at \$500

and go well over \$1000. These tablets may have the performance but at their cost, they fall behind what laptops can deliver.

So in conclusion, it really depends on the type of tablet or laptop you are comparing. At the low end, the advantage is clearly tablets but at the higher end laptops win because of performance vs cost. As it stands today laptops still offer greater flexibility and value. ♣

**Looking ahead to
Summer Fun?**

**FREE
Boone County
Fair tickets**

Business Day at the Fair –
Tuesday, August 8th

Stop in either office to pick them up!