



## KEY TAKEAWAYS

DAY 1

### Utilizing Sentiment Analysis & KPIs to Enhance Client Experience

Amit Arya and Saari Gardner



Customer experience (CX) strategy is no longer optional in today's environment, but rather it is a must-have for companies to stay competitive in the age of the customer, in which empowered buyers demand a new level of customer obsession.

Because of the importance to have a CX strategy that works, companies can use data analytics tools to drive competitive insights and improve overall strategic efforts. DHG's Amit Arya and Saari Gardner discussed some important takeaways on the topic:

- **Employee Experience Drive CX** – The customer experience is defined by customer satisfaction, customer loyalty, growth and profitability, while employee experience is defined by employee satisfaction, training, development, resources, rewards and recognition. Evaluating your employee experience can provide great insight into CX and developing strategy.
- **CX Trends to Expect in 2021** – At the forefront of CX trends includes a more virtual workforce and virtual events. As such, this will increase the need for a strategy around e-commerce, mobile and digital offerings. Safety and cleanliness measures will also play an important part of CX going into 2021, with regular sanitization becoming standard protocol. Some companies may even consider limiting or streamlining product options to focus on those most critical to meeting customer's needs.
- **Sentiment Analysis Contributes to CX** – As opposed to traditional CX assessment techniques, sentiment analysis provides a deeper insight into causations versus correlations with unrestricted data input. Such insights as an alternative key performance indicator (KPI) can inform management of what is and isn't working with a product or service by examining customer feedback. Insights can also help marketing departments study customer behavior in order to better develop outreach and targeting strategies.



You can read more in DHG's articles on [Sentiment Analysis](#), [Developing Foresight from Alternative KPIs](#) and [Customer Experience Trends during the COVID-19 Pandemic](#) or reach out to us at [analytics@dhg.com](mailto:analytics@dhg.com).



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### Predicting IT Priorities in 2021: Increased Data Privacy Regulation

Zach Shelton and Tom Tollerton



While data privacy is not a new concept, privacy does not always equal security.

Zach Shelton and Tom Tollerton discussed the need for increased focus on data privacy due to regulatory scrutiny and the need for transparency to consumers. There have also been notable breaches in privacy in recent headlines with companies such as Facebook, Marriott, Twitter and Equifax. The following are key takeaways our presenters emphasized to our listeners:

- **Advancements in technology, including smart home devices, wearable artificial intelligence (AI), etc., has led to an increased scrutiny on the role of data privacy protection and security for the consumer. The result is a high demand for transparency from the consumer regarding how and why data is collected, as well as assurance that the data will be removed when it is no longer needed. As such, companies must be aware of the consumer's needs and allow them to make data-related requests while respecting regulations protecting consumer privacy.**
- Consider assigning responsibility through a Data Protection Officer in your company, as well as establish channels of communication that allow consumers to make data-related requests. Remember to understand the nature of data in your organization by documenting a record of processing activity (ROPA) and a data protection impact analysis (DPIA).
- Companies can enhance their security awareness training to include the following privacy principles:
  - Importance of protecting consumer information from unauthorized access
  - Appropriate use of consumer data
  - Prompt reporting



Read more about [Physical Security Considerations](#) and [Tips to Avoid Cybersecurity Attacks](#) or contact us at [itadvisory@dhg.com](mailto:itadvisory@dhg.com).



## KEY TAKEAWAYS

DAY 1

### Internal Control Considerations

Wesley McLeod

The COVID-19 pandemic has caused significant focus and attention to be directed toward internal controls and any relevant changes that should be made upon a reevaluation. Wesley McLeod's presentation mentioned the following key considerations when assessing and updating an organization's current internal controls structure.

- Internal controls is a process, not a one-and-done action. To be effective, internal controls will need to be interwoven into a company's culture, policy and people in addition to being adaptable.
- **Performing internal controls early is key to its success. Having a system implemented early allows organizations to have time to pivot and react if there are any arising issues.**
- Operating effectiveness should not be done concurrently with design effectiveness – design conclusion should come first. If you have an issue from your operating effectiveness evaluation, it should be related to whomever is executing the function, not a design flaw.



To learn more about internal control considerations, contact us at [assurance@dhg.com](mailto:assurance@dhg.com) or read more about [Internal Controls over Financial Reporting \(ICFR\) and COVID-19](#).

### Fraud and the Distracted Employee

Erik Lioy & Roy Strickland



The basis for Erik Lioy and Roy Strickland's presentation was Cressey's Fraud Triangle, which shows that a perceived fraud opportunity happens when incentive and/or pressure meets rationalization of the fraud. The subject of fraud is relevant in 2020 as mounting pressures could potentially cause perceived opportunities for employees in the workplace. Our presenters presented the following practical advice:

- **What to Look Out For** – Substance abuse (drugs, alcohol, etc.) and excessive gambling activity by an employee or an employee's spouse or dependent could contribute to perceived opportunity. Elderly parents of an employee could also play a factor, considering trends for those saving for long-term care (average of only 29 percent) and extensive costs for long-term care, which can range from \$4,000 - \$7,000 per month.
- **What Can Be Done** – In addition to understanding why fraud happens, remember to understand how best to switch to working from home for employees, including appropriate support to work through any adversity. Conduct a SWOT analysis to determine any internal and external threats in the new normal. **When fraud does happen, typical steps to take include:**
  - Involve legal counsel to utilize the legal process, as well as hire a professional investigator.
  - Collect and preserve evidence.
  - Identify if you have insurance coverage for any losses.



To learn more about fraud prevention, reach out to us at [forensics@dhg.com](mailto:forensics@dhg.com) or peruse our 3-part series on [Planning Investigations](#) and listen to our podcast episode on [Managing Risk While Conducting Remote Investigations](#).



## KEY TAKEAWAYS

DAY 2

### Key Drivers of Performance Improvement

Mark Miller



For many, the COVID-19 pandemic illuminated the need for many businesses to remaster the basics of key performance improvement in a world that demands high agility and adaptability. As such, DHG's Mark Miller highlighted the need to revisit the following key value drivers of performance to better prepare for 2021 and beyond:

- **Revenue Growth** – Consider any opportunities to maximize revenue by acquiring and securing markets, as well as improving sales force effectiveness. Growth opportunities may also be found in modifying product and pricing strategy to improve customer retention.
- **Value Delivery** – In addition to creating and preserving customer loyalty, value can also be delivered by modifying and improving key operations processes.
- **Business Enablement** – Back-office processes are an essential part of the business; improving these areas can enable scale and flexibility. Important departments include accounting and reporting, information technology (IT) and human resources.
- **Financial Management** – Optimizing all facets of an enterprise's financials will contribute toward performance improvement through a multi-faceted approach that includes tax optimization, credit and risk management and cash/liquidity management.

Mark speaks more about [Performance Improvement 101](#) in a recent GrowthCast podcast episode or can be reached at [privateequity@dhg.com](mailto:privateequity@dhg.com).



## KEY TAKEAWAYS

DAY 2

### A&A Update

Liz Gantnier and Jeff Rapaglia



Our A&A Update with Liz Gantnier and Jeff Rapaglia included important updates of recently issued accounting and auditing standards affecting current and forthcoming reporting periods. Due to the relief provided by regulators this year, companies should take action to strengthen internal controls and documentation to show compliance in the unprecedented circumstances of 2020. Focus for key areas was given to the following topics:

- **A&A COVID-19 Considerations** – Audit and accounting issues are frequent and high priority in 2020, it is important to properly plan and consider all options. Remember that there is more than one option available when accounting for PPP Loans (debt, contingent gain, IAS 20 grant, etc.), but each has its own specifications. Open communication with your auditor will be important as you assess the impact to your financial statements due to going concern, asset impairments, lease concessions, debt modifications, etc.
- **Lease Accounting** – Accounting Standards Codification (ASC) 842, *Leases* has a new effective date for private companies and private non-profits, which begins during the annual reporting period beginning after Dec. 15, 2021, for the calendar year of 2022, with early application permitted. Begin taking action now to gather information and make decisions regarding method of adoption, lease population, disclosure data and use of technology to maintain your lease data.
- **Revenue Recognition** – In June 2020, the Financial Accounting Standards Board (FASB) granted a one-year effective date delay for those financial statements that were not yet issued at the time of delay. Top considerations for compliance include variable considerations, contract modification, a significant financing component, collectability assessment, reassessment and disclosure requirements.



DHG's [Quarterly A&A Updates](#) and other [assurance alerts](#) can be found on our website. For more information, email [assurance@dhg.com](mailto:assurance@dhg.com).



## KEY TAKEAWAYS

DAY 2

### Change Resistance and Employee Engagement

Dr. Victoria Grady and Scott Spohn

Organizations can do better with change in order to address disruption and drive adoption of change initiatives, but such change must be thoughtfully considered and implemented in order to minimize resistance and increase team engagement. DHG's Scott Spohn and Dr. Victoria Grady addressed this issue with some key concepts to help organizations better understand and manage change initiatives:

- **Know and understand where your employees are in terms of their readiness for change.** Change readiness and engagement are separate concepts – when employees are engaged, it does not necessarily mean they automatically ready for change.
- **We are biologically wired to resist change.** When certain connections with tangible and intangible objects are broken or “breached,” the result in the root cause of resistance, which is the breaking of these unspoken agreements between employees and the organization. By addressing the true root cause thoughtfully and systematically, resistance can be effectively managed, and agility can be developed.
- **You can't have employee engagement without connection.** Our brains are hardwired to attach or lean on objects in our environment to support us through uncertainty and transition. The combination of connections, and the skills they deliver, create new Mental Models that go right to the root cause of resistance. Therefore, consider how you regularly build connections with employees. Remember to focus first on understanding and connecting with employees before deploying specific measures for engagement in change initiatives.



For more information, read DHG's articles on [The Biology Behind Resistance to Change](#) or [Social Connection in a Time of Physical Distancing](#) reach out to us at [info@dhg.com](mailto:info@dhg.com).



## KEY TAKEAWAYS

DAY 2

### Tax Strategies You Should Be Considering Now

Phil Laminack and Paul Morrow

DHG's Phil Laminack and Paul Morrow highlighted the most relevant strategies for taxpayers as the year end approaches. The following summarizes the presentation's key takeaways:

- **Paycheck Protection Program (PPP) Loans and Covered Expenses Deductibility** – The Internal Revenue Service (IRS) further expanded on their position in November that “covered expenses” as defined by the PPP will not be deductible to the extent of resulting covered loan forgiveness (Revenue Ruling 2020-27). 
- **Bonus Depreciation** – Businesses can take advantage of certain opportunities to immediately deduct the cost of investments in certain fixed assets; these deductions are claimed through “bonus depreciation” and Section 179. For bonus depreciation, certain business assets eligible for immediate deduction generally include machinery, equipment, furniture and fixtures, land improvements, software, Qualified Improvement Property and other non-building assets. Section 179 provides an asset expensing provision available to small business taxpayers regarding similar types of property as bonus depreciation, generally non-building assets.
- **NOL Carrybacks** – The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided a five-year carryback period on net operating losses (NOLs) for both corporate and individual taxpayers. The combination of other retroactive changes made by the CARES Act may have created other NOL opportunities with respect to the 2018 and 2019 tax years. 
- **Business Interest Expenses** – The CARES Act also made favorable changes to business interest limitations by increasing the limitation for businesses other than partnerships from 30 percent to 50 percent for tax years beginning in 2019 and 2020. The limitation for partnerships also increased to 50 percent for tax years beginning 2020. In addition, the CARES Act also allows taxpayers to elect to use their 2019 adjusted taxable income to compute the business interest expense limitation for the 2020 tax year. 
- **State Tax and Nexus Considerations** – Employees working from home may live in state and local jurisdictions where the business has no physical presence. Some have also experienced a shift in customer base due to a virtual sales and delivery model. As such, exceeding a threshold in sales can create a filing obligation, so companies should make sure they are compliant for purposes of income tax, franchise tax, gross receipts and other taxes.

For more information, read DHG's article on [2020 Year-End Tax Planning](#), [subscribe to receive our tax alerts](#) or reach out to us at [tax@dhg.com](mailto:tax@dhg.com).