



SOUTHERN BUILDING MATERIAL ASSOCIATION'S Management Newsletter

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"Membership Pays When You Participate."

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Management can help mitigate that risk through a number of strategies designed to provide employees with multiple ways to report concerns about fraud or other misconduct.

Ferret Out Fraud

BY TIMOTHY P. HEDLEY, CPA, PH.D. AND RICHARD H. GIRGENTI, J.D.

Fraud poses a critical risk to organizations. Management can help mitigate that risk through a number of strategies designed to provide employees with multiple ways to report concerns about fraud or other misconduct.

- ✓ **Deploy telephone hotlines.** A dedicated telephone hotline is the most popular reporting mechanism used by large organizations, according to KPMG's *Integrity Survey: 2008–2009*, which found that 65% of such organizations used hotlines. The more successful hotlines are those with appropriate oversight and protocols that provide employees with confidentiality, anonymity and availability through toll-free, 24/7 and international service.
- ✓ **Establish a Web-based reporting system.** A dedicated Internet reporting system typically provides 24/7 access for employees to report fraud and misconduct candidly and anonymously.
- ✓ **Implement workshops or focus groups.** These meetings elicit employee feedback on actions witnessed in the workplace and encourage brainstorming on what kinds of misconduct can occur on the job and how best to spot and stop it.
- ✓ **Conduct employee surveys.** Confidential and anonymous employee surveys can help management spot potential risks based on employee attitudes, perceptions or behaviors.
- ✓ **Solicit third-party interviews.** Soliciting information from customers, vendors, regulators, creditors, analysts or others who come into routine contact with employees can provide insight into business practices and risks for misconduct.
- ✓ **Keep in mind that auditing and monitoring in high-risk areas are important tools** that management can use to help determine whether controls are working as intended and can often identify issues that may otherwise escape attention. Such auditing (evaluating past events) and monitoring (evaluating events in real time) can be conducted in areas where there is a specific concern, a history of fraud and misconduct, high employee turnover or organizational change.
- ✓ **Require exit interviews.** Management can identify concerns through exit interviews with departing employees, who may provide input on issues they did not want to raise earlier.
- ✓ **Enhance management accessibility by walking around.** This philosophy encourages a hands-on management style of visiting employees in their workspaces,

listening to their concerns, asking questions and listening to their suggestions.

✓ **Create and publicize an open-door policy.** This gives employees direct access to senior executives without having to go through multiple layers of bureaucracy. An open-door policy can help identify issues that may otherwise escape attention.

✓ **Deputize “ethics champions.”** Geographically dispersed organizations should not presume that their telephone hotlines will be successful at uncovering fraud and misconduct at all organizational levels and locations. Such organizations may consider designating local resources as points of contact for transmitting concerns and allegations from the field directly to leadership.

—*These recommendations come from the book Managing the Risk of Fraud and Misconduct in a chapter written by **Timothy P. Hedley, CPA, Ph.D.**, (thedley@kpmg.com) a KPMG partner and global coordinator for Fraud Risk Management Services. The book is co-authored by **Richard H. Girgenti, J.D.**, (rgirgenti@kpmg.com) a KPMG principal who leads Forensic Services for KPMG’s Americas firm. For more on this topic, see Managing the Business Risk of Fraud: A Practical Guide at tinyurl.com/43um8ka.*



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Shifting health costs to employees? 3 things to consider first

by Christian Schappel

It’s no secret many employers plan to shift more costs on to employees as healthcare premiums climb. If you’re in that group, here are three things you’ll want to consider before the shifts potentially disrupt morale.

1. Employees may stop going to the doc

One thing some employers may not realize when they decide to shift some healthcare cost increases toward employees: It may lead employees to put off going to the doctor for routine checkups — or when they’re sick.

When the cost of going to the doctor goes up (whether it’s through increases in co-pays or deductibles) more people will put off routine/preventive care.

That means the short-term cost savings your company would see by shifting costs onto employees may quickly be swept away if the overall health of your workforce declines due to diminished care — resulting in more major medical claims or being placed in a higher risk pool by your insurer.

2. Wellness workers — in the long run

If you’re in the group that believes increasing out-of-pocket costs would diminish employees’ health, there is another option that can reduce healthcare costs — but it won’t help overnight: Ramp up your wellness initiatives.

Whether you increase incentives to motivate employees to participate in your wellness programs or add activities — like blood pressure screenings, cholesterol tests, or flu shots — improving the health of your employees can save you big bucks in major medical costs in the long run.

3. There are other benefits employees want

If cost-shifting is the only option, there are ways to soften the blow to your workforce.

Examples:

- Offering more voluntary benefits. Even when they're asked to cover most of the costs, many employees look at voluntary benefits (disability, dental coverage) as being financially beneficial.
- Offering flexible spending accounts (FSAs). These can help employees put away pre-tax dollars to cover increasing healthcare costs.

5 Powerful Stress Management Tips

By [Natasha Micharina](#)

If you're looking for an easy way to manage stress in your life or business, this article can help you solve the problem. Here are five efficient tips for instant stress relief:

Step 1 - Identify Stress Triggers.

Are there particular situations or people that stress you out? Is your boss giving you a hard time? Is it a pain to arrange a vacation, booking flights, hotels and arranging for watering the plants or feeding the cat in your absence? Then start by recognizing such "pitfalls" so you can handle them constructively when they show up. For instance, if you are planning a vacation, start in good time and take one step at a time.

Step 2 - Breathe.

When people are stressed or nervous they usually tend to breathe fast and shallow. In worst case scenarios, like anxiety attacks, you would gasp for air and have problems breathing. When you are stressing in your mind, your body is stressing as well. Muscles have to work harder, blood pumps faster, you get tense and so on. The whole process makes it very hard to think clearly. So, take several deep breaths whenever you are stressed. Allow air to pass through your body. It will help you relax.

Step 3 - Don't Worry.

Have you noticed that a lot of stressed people worry a great deal? For instance, they worry that things won't work out, there won't be enough time or money and so on. Well, believe it or not, but worrying won't get you anywhere. It will actually do quite the opposite - drag you down and stress you out even more. So, whenever you catch yourself worrying, think instead; "This won't contribute to the situation in any positive way. I'll stop worrying NOW."

Step 4 - Think Positively.

Instead of worrying, it might be a good idea to replace those thoughts with something pleasant instead. If anything, it will get your mood up and put a smile on your face. Do you worry that your car might break down? Think instead that if it breaks down you'll no longer contribute to the global warming effect. Think that you might even get a bit healthier and see the clear blue



Are there particular situations or people that stress you out? Is your boss giving you a hard time?



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sky since you'll be walking or biking to work. In any case, just focus on the positive, and your stress will wash away.

Step 5 - Change Your Response.

Once you have identified a stressful situation and recognize the pattern, state to yourself that you are stressed. At this point you are able to decide whether you want to continue on a runaway stress train and get trapped in a negative loop - OR if you want to do something different with this situation. Such decision making creates a feeling of control. At any point you can tell yourself; "Hey, I won't go down the stress path today. Instead I'll do something different." Hopefully something constructive. Use your imagination!

That's really all there is to it. The next time you feel stressed, just go through these five steps in your mind, and your situation and mood will improve dramatically. Try it!

Time Management Tips.

Here are five quick and easy Time Management Habits you can learn and implement today.

1. Low Information Diet
2. Parkinson's Law of Perceived Importance
3. Saying No
4. ½ Hour of Power
5. 80/20 Rule

1. Low Information Diet

We live in a world full of information and the temptation exists to digest as much information as possible. Information is time consuming and most the information you consumer is either negative or irrelevant to your goals. (Think newspaper, TV, Magazines, Social Blogs.) Time management is really about making better use of your time. Living on a low-information diet is one way to do this.

For the next week:

- No reading emails before 11:00am. You may quickly scan for urgent emails if required by your role. Use this time instead to achieve one of your most important goals for the day
- Avoid newspapers, magazines or talk-back style radio
- Stop visiting news and non-goal related blogs and websites. No web surfing
- Limit your television viewing to one hour of relaxation viewing only
- Before you digest any information, ask yourself – Will this information help me achieve one of my immediate and important goals?

With all the free time this will create you can complete your daily actions that will move you closer to your 90 day goals.

2. Parkinson's Law of Perceived Importance

If I gave you 24hrs to produce a report on the impact of room temperature on staff productivity, the time constraints would force you to focus and take action. If I gave you a week, you would spend five days considering options and two days preparing the report. If I gave you a month it would sit on the 'back-burner' for two weeks, then you would call a meeting to discuss, send a series of back and forth emails and create the final report in the last two days, am I right?

Parkinson's Law states that "a tasks perceived importance and complexity will increase in relation to the time allotted for its completion." In other term, the longer you allow for a task to be completed, the more complex and important that task is perceived.

The solution is simple. Shorten time frames to reduce the perception of complexity of tasks.



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3. Saying No

Even more powerful than setting short time frames, is just saying no. It works like this:
Do you think you could put together a report on the impact of room temperature on staff productivity?"

Reply: "No."

If you're a bit of a 'softy', you could replace the 'no' with, 'I would be happy to help you, but I need you to show me how this will help us achieve our goal of (Insert important agreed upon business goal for which this task is not relevant)."

4. ½ Hour of Power

Want a tip to help you get out of bed each morning? Every night before bed spend 30 minutes setting your actions for tomorrow. Decide what actions you will achieve tomorrow to move you closer to your 90 day goals.

5. 80/20 Rule

I put this one last because it's one of the more common time management habits and you may have learnt in the past. That said, it's far too powerful to leave out and worthy of a reminder. The 80/20 rule states that 80% of outputs are the result of 20% of inputs. For example, 80% of profit is the result of 20% of customers. This also means that the remaining 20% of outputs are the result of your other 80% of inputs. (i.e. the other 20% of profits is made up by 80% of customers.) To take back your time you must identify the 20% of inputs that create the 80% of outputs. For example, cold calling 20 clients per day for two hours per day produces one new client per week, whereas one phone call to a local business partner asking to meet and discuss a joint venture takes two hours in total and leads to 10 new clients. 80% of the results you have achieved this year are the result of 20% of your actions. Identify what's creating the most output and scrap the rest.