



# IN TOUCH

A NEWSLETTER FOR OUR PARTNERS AND FRIENDS

FCU SOLUTIONS, INC. | YEAR 24 | NOVEMBER 2022 ISSUE



## FCU SOLUTIONS, INC. passed its ISO 9001 maintenance audit



FCU SOLUTIONS, INC.  
NEWSLETTER

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**At the very core of FCU Solutions, Inc.'s mission is to provide excellent services to our clients!**

# 7 WAYS SMALL- BUSINESS OWNERS CAN COPE WITH INFLATION

Julie Bawden-Davis | Garden Guides Press

As the price of goods and services rises across the nation, small-business owners are feeling the pinch. Consider using these tactics to combat rising inflation at your company.

## 1. Streamline and automate processes.

"Improving processes may mean exploring automation for your company", suggests Ben Johnston, COO of Kapitus, a provider of growth capital to small businesses. "As the cost of labor continues to climb, re-examine processes," he advises. "Could time-intensive work be automated? Is there software that can be deployed to automate business processes like scheduling, order taking, billing or collecting payments? Is robotic processing an opportunity when manufacturing a good or completing a repetitive task?"

## 2. Analyze profit margins.

"Examine your profit margins carefully," says Sam Barranté, an e-commerce entrepreneur. "Start by re-evaluating your costs and then analyze what margins you're facing in today's economy. From there, start looking into solutions to increase those margins, while continuing to ensure quality products and services."

## 3. Improve productivity.

The more quickly and efficiently you and your employees work, the higher your profit margins are likely to be. "Use technologies and apps that track and improve productivity," says James Cassel, chairman and co-founder of the investment bank Cassel Salpeter.

## 4. Cut expenses when and where possible.

"Reduce wherever you can", advises Bradley Katz, CEO and co-founder of Axon Optics, a therapeutic eyewear provider. Check if your company is paying for products or services that aren't being used and cancel those items. Also consider substituting materials. You may find alternate products or ingredients that will save you money



## 5. Stock up on supplies now.

"We reorganized our warehouse and now have pallets full of supplies reaching to the ceiling in the 10,000-square-foot space," says Evan McCarthy, the president of Sporting Smiles, which provides custom dental products. "We stocked up, because every time we ordered supplies, the price kept rising. Our cardboard box supplies had three major increases in 2021." Also consider renegotiating contracts with suppliers and buying large equipment now, as prices are likely to increase.

## 6. Raise prices judiciously.

While raising prices isn't ideal, it may be helpful in combatting inflation's effect on your business. Avoid turning off customers with dramatic across-the-board price increases. Instead, raise prices slowly in modest increments and be strategic. Choose areas where customers are less likely to notice.

## 7. Be ready for new customers.

"Inflation automatically creates new customer segments, so go after them," suggests Stuart Robles, a partner at Briggs Capital, a mergers and acquisitions firm for small and medium-sized businesses, and co-author of *The New World of Entrepreneurship: Insiders' Guide to Buying and Selling Your Own Business in the Digital Age*. "Inflationary periods are unnerving to many," says Robles. "As a result, customer segments and market niches previously unreachable can become attainable as your company is seen as a beacon of light in terms of potential lower prices and rates."

Source: <https://bit.ly/3E1UAEG>  
Source of all photos: Pixabay

# CONGRATS! CERTIFIED CLIENTS



**PHARMASERV EXPRESS**

ISO 9001:2015 Maintenance & ISO 14001:2015 Certification



**PHARMASERV EXPRESS**

ISO 14001:2015 and WHO Good Storage and Distribution Practices Certification



**CARRASCAL NICKEL CORPORATION**

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Maintenance Audit



**PERSAN CONSTRUCTION, INC.**

ISO 9001:2015 Surveillance Audit



**GEMBAR ENTERPRISES AND GEMBAR ENTERPRISES INC.**

ISO 9001:2015 Surveillance Audit



**J.M. LUCIANO CONSTRUCTION, INC.**

ISO 9001:2015 Surveillance Audit



Financial ratios offer entrepreneurs a way to evaluate their company's performance and compare it other similar businesses in their industry. Ratios measure the relationship between two or more components of financial statements. They are used most effectively when results over several periods are compared. This allows you to follow your company's performance over time and uncover signs of trouble.

Here are some key financial ratios to measure the financial health of your business.

# HOW TO USE FINANCIAL RATIOS TO IMPROVE YOUR BUSINESS



## LEVERAGE RATIOS



**01** Debt-to-equity ratio =  $\frac{\text{Total liabilities}}{\text{Shareholders' equity}}$

Measures how much debt a business is carrying as compared to the amount invested by its owners. This indicator is closely watched by bankers as a measure of a business's capacity to repay its debts.



**02** Debt-to-asset ratio =  $\frac{\text{Total liabilities}}{\text{Total assets}}$

Shows the percentage of a company's assets financed by creditors. A high ratio indicates a substantial dependence on debt and could be a sign of financial weakness.

“

Production is the only answer to inflation.

- Chester Bowles





“

Domestic inflation reflects domestic monetary policy.

-Martin Feldstein



## LIQUIDITY RATIOS



**01** Working capital ratio =  $\frac{\text{Current assets}}{\text{Current liabilities}}$

Indicates whether a business has sufficient cash flow to meet short-term obligations, take advantage of opportunities and attract favorable credit terms. A ratio of 1 or greater is considered acceptable for most businesses.



**02** Cash ratio =  $\frac{\text{Liquid assets}}{\text{Current liabilities}}$

Indicates a company's ability to pay immediate creditor demands, using its most liquid assets. It gives a snapshot of a business's ability to repay current obligations as it excludes inventory and prepaid items for which cash cannot be obtained immediately.

## PROFITABILITY RATIOS



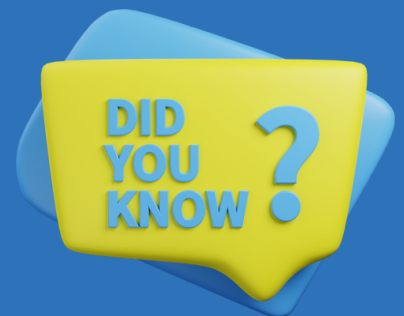
**01** Working net profit margin =  $\frac{\text{After tax net profit}}{\text{Current liabilities}}$

Shows the net income generated by each dollar of sales. It measures the percentage of sales revenue retained by the company after operating expenses, interest and taxes have been paid.



**02** Return on shareholders' equity =  $\frac{\text{Net income}}{\text{Shareholders' equity}}$

Shows the net income generated by each dollar of sales. It measures the percentage of sales revenue retained by the company after operating expenses, interest and taxes have been paid.



The term “inflation” is from the Latin term inflare, meaning to “blow up or inflate,” and it was first used in a monetary sense to describe “an increase in the amount of money” in 1838. Today, economists argue over the definition of inflation but generally agree that it means a continued rise in prices while the value of money declines.



### 03 Coverage ratio =

$$\frac{\text{Profit before interest and taxes}}{\text{Annual interest and bank charges}}$$

Measures a business's capacity to generate adequate income to repay interest on its debt.



### 04 Return on total assets =

$$\frac{\text{Income from operations}}{\text{Average total assets}}$$

Measures the efficiency of assets in generating profit.

## OPERATIONAL RATIOS



### 01 Accounts receivable turnover =

$$\frac{\text{Net sales}}{\text{Average accounts receivable}}$$

Shows the net income generated by each dollar of sales. It measures the percentage of sales revenue retained by the company after operating expenses, interest and taxes have been paid.



### 02 Average collection period =

$$\frac{\text{Days in the period X Average accounts receivable}}{\text{Total amount of net credit sales in period}}$$

Indicates the amount of time customers are taking to pay their bills.



### 03 Average days payable =

$$\frac{\text{Days in the period X Average accounts payable}}{\text{Total amount of purchases on credit}}$$

Measures the average number of days it you are taking to pay suppliers.



### 04 Inventory turnover =

$$\frac{\text{Cost of goods sold}}{\text{Average inventory}}$$

Measures the efficiency of assets in generating profit.



## FACTS

Historians have noted that war and inflation go hand-in-hand. Every war in the last century has brought high inflation.



## FROM THE EDITOR

As we are nearing the end of another year, challenges are still ahead of us in the industry. Inflation is at a record high while our currency is at a record low. The joy of an energetic economic activity is restricted by government interventions set to help stabilize the economy. However, as wise entrepreneurs and professionals, we are not paralyzed by these external issues. We are rather challenged in determining the opportunities amidst the chaos. In this month's issue of our Newsletter, we focused on how to weather the current economic condition while monitoring your company's financial indicators. We hope these quick-reads elevate your insights and help you gain perspective in this season. Stay In Touch!

-Gems

Source: <https://bit.ly/3g3YP3e>  
Source of all photos: Pixabay



# FCU IN ACTION



CENTENNIAL EAGLE SECURITY SERVICES, INC.

ISO 9001:2015 Appreciation



CENTURY PROPERTIES MANAGEMENT INC.

Internal Audit Workshop



KATHA BUILDERS AND SUPPLIES

ISO 9001:2015 Appreciation Workshop



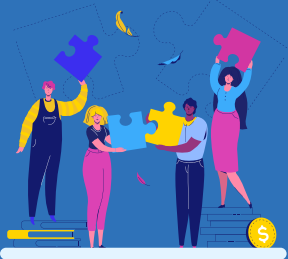
EAGLESTAR SECURITY SERVICES, INC.

ISO 9001:2015 Appreciation



FIRST GREENMEADOWS HOMEOWNERS ASSOCIATION, INC.

Monitoring of Compliance with Applicable EHS Statutory and Regulatory Requirements



# FCU IN ACTION



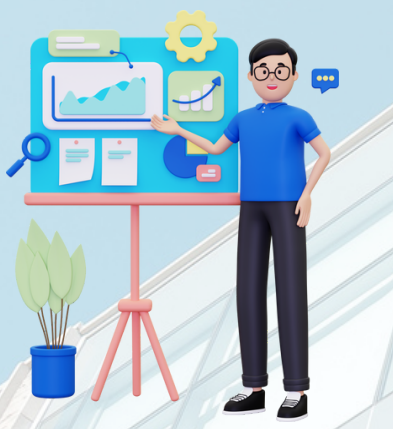
J.M. LUCIANO CONSTRUCTION, INC.

ISO 9001 Risk Management Workshop



J.M. LUCIANO CONSTRUCTION, INC.

Internal Audit Workshop



J.M. LUCIANO CONSTRUCTION, INC.

ISO 9001:2015 Appreciation



FORCE GROUP

ISO/IEC 27001:2013 Risk Management Workshop



FORCE GROUP

ISO/IEC 27001:2013 Appreciation

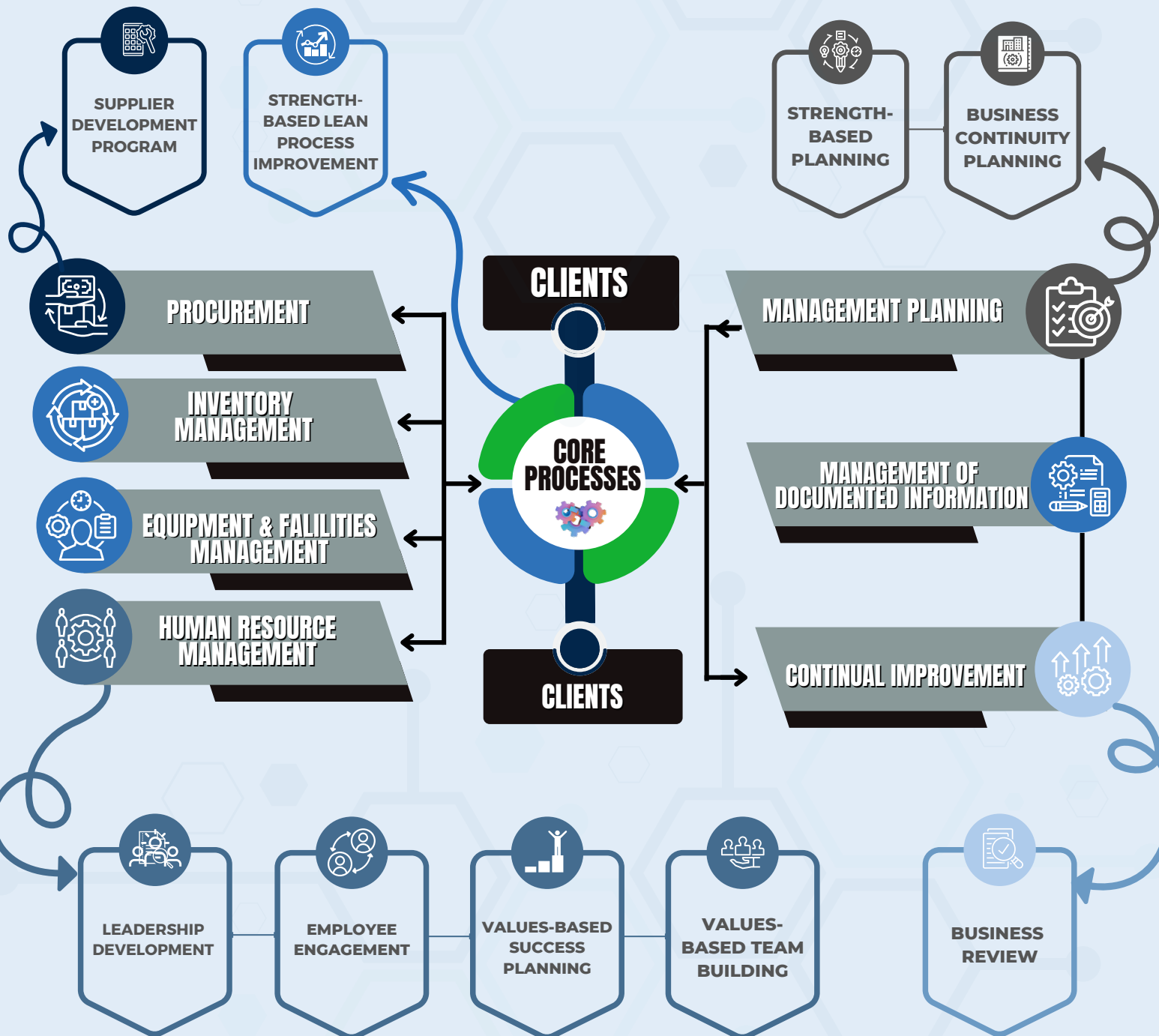




# OTHER SERVICES



Now that you are **certified**,  
what **PROGRAMS** can **FCUSI** help you with?





# OTHER SERVICES



## PROCUREMENT

### Supplier Development Program

A company is only as strong as its supply chain. These programs help your suppliers streamline processes so they become more efficient, innovative, reliable, and even scalable. By contributing to their improved performance, you strengthen your supply chain and lower your input costs resulting to improved margins.



## HUMAN RESOURCE MANAGEMENT

### Leadership Development Program

As the pace of change in the business environment increases, organizations need to develop the talent they already have into the leaders they need for tomorrow. Our customized leadership development program grounded authentically on your companies' vision, purpose, values, and aspirations, combines structured learning modules with individual and group coaching to ensure young leaders are ready for the challenges of the future.



### Employee Engagement Program

Invested employees in both their everyday work and the success of the company as a whole are critical success factors in business. Based on Gallup's study, engaged employees have positive emotional connections with the company and feel a sense of purpose in their jobs. FCUSI's organizational values-based engagement program contributes to increase in productivity, loyalty, and profitability, and is well worth the investment.



### Values-Based Succession Planning

Complementary to our Leadership Development Program, Succession Planning is a focused process for keeping valuable talents in the pipeline. Our modules cover identifying crucial job skills, knowledge, relationships, and organizational practices anchored on your corporate values, and passing them on to prepare the next generation of talents.



### Values-Based Teambuilding

In today's highly diversified workplace, the importance of teamwork cannot be over-emphasized. Studies show that organizations that promote teamwork innovate faster, find better solutions to problems, and attain higher productivity. Our fun teambuilding program with activities customized anchored on your own corporate values, contributes to the: maintenance of an enjoyable work environment; increase in work efficiency; increase in learning opportunities; and increase in accountability.



## CORE PROCESSES

### Strength-based Lean Process Improvement

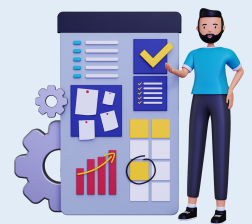
"Quality is an act, it is a habit" – Aristotle. Quality has been understood to involve the behavioral side as early as 300 BC. Quality therefore does not happen overnight. FCUSI integrates appreciative inquiry and positive psychology concepts in our lean process improvement program to drive effective, powerful, and sustainable efficiency and quality improvement programs.



## MANAGEMENT PLANNING

### Business Continuity Planning

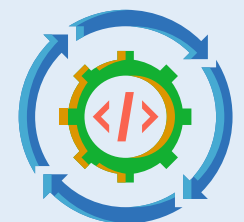
Many companies experienced disruptions the past years. Were you able to cope with those events effectively? FCUSI's Business Continuity Management (BCM) based on ISO 22301:2019 involves designing a practical plans on how your business can prepare for and continue to operate after disruptions or crisis.



## CONTINUAL IMPROVEMENT

### Business Review

Let FCUSI team be your internal auditors. Auditors during these challenging times must be more attuned to opportunities for further enhancements, and adding value is widely considered an integral part of the audit process. The very objective of internal auditing is to monitor and measure the performance of a company's management system to identify areas for improvement.





# LEARN WITH FCU



Add value to your Management System, one module at a time.

## NOVEMBER 2022 TRAINING SCHEDULE



**CAUSE MAPPING:  
AN EFFECTIVE PROBLEM-SOLVING APPROACH**

Nov. 3-4 | 9:00am - 12:00nn



**YOU ARE AT THE CENTER OF SECURITY:  
DATA PRIVACY ACT OF 2012**

Nov. 8-9 | 1:00pm - 5:00pm



**OUTCOME-ORIENTED INTERNAL  
AUDITING FOR CONSTRUCTION**

Nov. 10-11 | 1:00pm - 5:00pm



**THE IMPORTANCE OF HR'S  
ROLE IN AN EFFECTIVE QMS**

Nov. 21 | 8:00am - 5:00pm



**LEAN THINKING  
IN CONSTRUCTION**

Nov 22-25 | 9:00am - 12:00nn

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