



Mid-South Engineering Company

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Minding your P's and Q's (Pennies and Quarters)

By: Marc Stewart

For the past 14 years, I have been able to watch the Mid-South team from the non-technical side of the fence. Many projects have been executed in this time. Most have been very successful, some were more challenging than others. A few common threads seem to run through each project team:

- Most everyone seems to enjoy what they are doing
- Everyone takes pride in their work
- Satisfaction in finding client serving solutions.

But there is another side to Mid-South (and to any well managed service organization for that matter) and that is the business side of the business. It is critical to have people in place to pay attention to this function which does not happen accidentally or without effort. Many things we do related to company accounting are common sense but they require management, nonetheless, so they do not become issues that might affect the work of the company.

These are some things to which we pay close attention:

Project Numbers – This is where it all starts. When we are awarded a project, we get the new job number in the system as soon as possible so time can be recorded against it. There should be no doubt by staff regarding where time should be appropriated.

Bank Deposits – When payments come in, they are logged and put in the bank the same day. No exceptions. Electronic transfer of funds has made an impact on how this is handled; however, some clients still prefer to write checks so a daily trip to the bank is the norm.

Cash-flow – No matter how you slice it - Cash is King. We maintain a daily report of cash-on-hand so we always know where we stand.

Invoicing – See cash flow above. To keep money coming into the business requires invoices be sent as soon as is administratively possible. It is a top priority of the accounting department to see that accurate invoices are promptly sent when the month comes to an end.

Closing – Once invoicing is complete, we do what it takes to get the month closed and generate the financial statements. Timely financial information is critical to know where we stand and allows management to nimbly react if any changes are needed.

Aging – Once invoices are sent, they need to be managed. You need to pay attention to who owes money and to the terms of their contract. Never be hesitant to tactfully ask for what is owed. Normally a late payment is an oversight by the client; however, for whatever reason, not everyone feels compelled to pay what they owe on a timely basis.

Payday – When it comes to business, few things are as sacred as payroll. Employees are the most valuable asset to which we have access and every one of them takes payroll seriously. Our direction is clear - process updated and accurate payroll when promised.

Taxes - Do not ever, and I mean EVER, toy around when it comes to the government's money. Doing so is playing with fire – those guys are serious about collection and have the capacity to shut you down. Understand estimated taxes and pay them. Understand payroll taxes and pay them. On time. Every time.

Payables – Enter payables into the system upon receipt and approval. We stay current with our bills to ensure that we maintain positive relationships with our vendors.

Forecasting – The adage 'People don't plan to fail, they just fail to plan' holds true. You have to look a bit into the future to ensure you have adequate cash (or access to cash) to cover costs. We rely on historical spending coupled with current cost structures to help determine future cash needs.

Debt - Today's interest rate environment makes borrowing more attractive than ever. If you have to borrow, it's certainly better to do it at these historic lower rates. However, as a general rule, we try to stay out of debt and get out as fast as we can if debt is necessary.

While it may not be as much fun as designing a greenfield facility, being part of a smoothly operating accounting department has its own rewards – in a behind-the-scene, bean-counting, diligently disciplined kind of way.

Is a LEED certified building the right choice for you? (Continued from last Issue)

By: Karen Griffin, Architect

Since the U.S. Energy Information Administration (11/30/2011) reported that 41 percent of total energy consumption in the U.S. can be attributed to the buildings, saving energy in this area seems to be extremely beneficial to the future of our available fossil fuels, our natural resources, to the economy, and the quality of life for future generations. A large portion of all energy is used to heat, cool, ventilate and light the buildings and infrastructure that support the built environment so this is an area where we can make the most impact saving energy.

By following the International Energy Conservation Code (IECC) and the ASHRAE 90.1 Standard, a good design firm would be able to provide an energy efficient building design for a client without using any of the certification systems while saving money on design fees and construction costs. There are a few key decisions that need to be made in the initial building design to achieve an energy efficient building:

- Create a very tight building envelope with good construction practice
- Eliminate thermal bridging at vulnerable points
- Create a high R value envelope, preferably with continuous insulation on the outside
- Use less glass limiting the glazing area to approximately 30 percent and use high performance glass and frames appropriate for the area of the country
- Control the ventilation with makeup outside air and continuous exhaust
- Size HVAC equipment carefully and correctly
- Design return air ducts instead of return plenums
- Seal the ductwork well
- Insulate plumbing pipes and introduce solar hot water if the budget allows
- Do a preliminary blower door test for determining leaks prior to drywall, assuring a tight building
- Hold a contractor responsible for adhering to these construction techniques

Any corporation, building owner or industrial plant owner can, and should choose to incorporate energy efficient design for new construction and use energy management programs to reduce energy usage resulting in long term cost savings. A multitude of program choices and tools are available to help the process and more are currently being developed and strengthened as we all move on this path of responsible usage of energy.



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