Thought Leaders: Karen Berman on "Financial Intelligence – Knowing What the Numbers Really Mean"

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Dr. Karen Berman is Founder, President and Co-owner of The Business Literacy Institute. She is a sought after expert in the field of business and financial literacy. She wrote and published the first academic study in the field of business literacy and now she consults, coaches, speaks, and writes on the topic. She consults with leadership and management teams to integrate business literacy into their strategic plan. She develops business literacy programs and processes, facilitates business literacy sessions and coaches managers to provide the skills needed to reinforce the use of the information learned. She also develops money maps, which are high impact visuals used to teach employees about the business. Prior to joining the Business Literacy Institute she was a senior consultant with two boutique consulting firms. She has also held various management positions in the banking, investment, healthcare and graphic art industry. Karen has a Masters and a Doctorate in organizational psychology from the California School of Professional Psychology and a Bachelors of Science degree in Managerial Economics from the University of California at Davis. She has served as an Associate Professor at the California School of Professional Psychology and has taught at the Claremont Graduate School. Karen is co-author of *Financial Intelligence*, a smart no nonsense business finance handbook for managers.

KE: Karen, with your extensive background in organizational psychology, let's begin by having you tell us about your transition from that domain to the domain of financial intelligence.

KB: When I was attending my graduate program, reading the literature, and also looking at what was happening in organizations, I realized that there was a gap. CEOs and CFOs and other executives were asking employees, managers, and leaders to participate in success, telling them of their importance to success and that everyone needs to pull together to help the company be successful and profitable, but those same CEOs, CFOs, and executives were not, for the most part, telling those people how they contribute to success. So after the motivational speech, when everyone got back to work, they did not have a sense of how to contribute to the bottom line. How do you contribute to profit or whatever the key measures are in the organization? So there was a gap between what executives were saying, and the information they were sharing with employees and managers to actually get it done.

I studied that question for my Ph.D. dissertation. If you teach employees about the business, give them knowledge about how success is measured financially, and how they make an impact, does that impact the bottom line of the organization? And the answer was yes. Interestingly, we found that even more happened. It was more than just if you educate people about business, then the numbers get better on the business. Motivation also increased, commitment increased, and turnover decreased and people felt better about where they worked. They realized that they were an important part of the organization and its success; that the leadership team trusted them, considered them important and included them by sharing the information on the business. So that is the story of how I got into the field of business literacy. We here are all true believers that business literacy makes a huge impact on the bottom line and for the employee, manager and leader, personally and professionally.

KE: HR professionals are working hard to gain more credibility by speaking the language of the business and that involves understanding finance. For those who have had limited exposure to financials or just a plain aversion to numbers, is there hope for becoming financially intelligent?

KB: Absolutely. First I will say that it is not complicated, although maybe the finance people in your organization present it in a complicated way. It is really just addition and subtraction, and when accountants get really fancy, they multiply and divide. The other thing to remember is that like any other field, finance does have its own language and unless you know that language it can be confusing, so part of what we do is just teach the basics of the language of finance. For example, you hear the words income, earnings and profit being thrown around and those sound like three different things, but they are actually all the same thing.

KE: It is good to hear there is hope for us. In fact, I have to say when I first received your book, "Financial Intelligence," I was a little concerned because I don't tend to find that finance holds my attention. But I have to say; I enjoyed the book and re-learned several things I had forgotten from business school. It is full of real-life examples and it is written for the non-accountant.

KB: That's great. We wrote the book because people would ask us all the time if there was a book we could recommend as follow-up to our business and financial literacy programs. There really wasn't anything out there that was targeted for people who are not finance professionals. Non-financial managers need to understand the financial side of business, but they don't need something written by an accountant or focused on the detailed level accounting issues. They need something that gives them the tools they need to manage and work better.

KE: You mention in the book that a few years ago, directors in a sample of Fortune 500 companies took a simple financial literacy test and got an average of 32 percent of the questions right. I am wondering how can that be.

KB: I think one of the problems is that as you are moving up the ranks in the organization, at some point you are expected to know this stuff. In many cases there is no formal training and it is very hard for people in a management meeting to raise their hands and say, "Wait a minute! I don't understand what you are talking about." They are already expected to understand the finances and if they have P&L management responsibility, budget responsibility, they can't suddenly say, "Oops! I don't really know what I am doing here." There are some concepts that can be confusing unless you really have that foundation class that says, all right this is how you define equity, or this is how you read a balance sheet. Those kinds of things are not necessarily intuitive, so I would love to pursue that question more as well, but I think we can guess that it is the lack of opportunity the people had to learn the financial side of business.

KE: What other benefits do you see from non-financial managers becoming more financially literate?

KB: By understanding the numbers, people at all levels can make better decisions. They can understand how their actions and decisions impact the bottom line. There are three basic financial statements - an income statement, balance sheet, and cash flow statement - and if you are just looking at the income statement for example, you understand that revenue, or what you sold, minus the expenses equals the bottom line, which is profit. If you know that and you know that you are looking at how your department impacts that financial statement, that's great. The issue though is that your decisions also impact the balance sheet and the cash flow statement. All those three statements are interrelated and if something happens on the income statement, it is going to impact those other two. Do you know how you are impacting those statements and how that impacts the company? Another benefit of understanding the numbers is that you can interact more confidently on key issues. You are sitting in management meetings, they are talking about an issue and you can ask critical questions: How does that impact cash? How does that impact the balance sheet? You will be more fully engaged in the topic and contribute more to that conversation. Leading and managing more effectively and communicating more effectively, this kind of knowledge can help you wherever you are.

KE: Our goal today is to give our audience a taste of what they need to know to be considered financially intelligent and also what other non-financial managers need to know, so where should we start?

KB: In the book there are four basic skill sets that we talk about and I will just go through these briefly. The first is the foundation and that is really understanding the basics of those financial statements that I mentioned, income statement, balance sheet, and cash flow statement. It is understanding the difference between profit and cash. Just because you have profit doesn't mean that that money is in the bank - you may not have any cash at all.

The second skill is the art. Accounting people are making estimates and using assumptions to create those numbers. (We are not talking about financial fraud here, not even close.) There are assumptions that they have to make about where numbers go, about what percentage of a number to put in one place versus another and there are rules that they follow. They footnote everything and there is an art to it. People need to understand this artful side of finance and how to ask the right questions to understand what the assumptions were underneath the numbers.

The third is analysis and this is being able to analyze the numbers so you know that they are really telling you the story behind the number.

And the last thing is the big picture. The numbers don't and can't tell the whole story of business. You have to look at the context, the economy, the competitive environment, the customer needs, and so on. So even though we teach finance and while everyone understands the financial side of business, we are by no means saying that that is the only thing to consider. You have to look at the numbers in context of customers, employees, environment, all those kinds of things.

KE: What would be the three most important foundational elements for us to understand?

KB: The first one is the income statement which can also be called a statement of operations, profit and loss statement, P&L, statement of earnings or even any of those phrases along with the word 'consolidated'. We had a client for example, whose branch level income statement was called the P&L, the regional income statement was called Statement Of Operations and in their annual report it was called the Statement Of Earnings. People thought those were three different things when actually they were the same thing at different levels.

There are some key concepts in an income statement. The first is revenue, and that is fairly straightforward, it is the sales. The interesting thing about revenue is actually that number at the top of your income statement is a promise. It is not cash. It is not a real number, because by and large customers don't pay right when they get the product or service delivered. In the corporate world you have 30 days or 45 days to pay, but that sale is what we say is booked. That revenue that shows up on that income statement in January is what the company provided, what the services and products are that they delivered that month and that customers promise to pay for. So think of revenue as a promise to pay for the products and services that were delivered in that time period. That is really a critical first step in understanding income statements and also understanding the art. After you see the revenue at the top of the income statement, you are going to see expenses and those are the cost to create and deliver those products and services that you delivered in that particular time period, and usually those costs are divided into two categories. The first is cost of goods sold, and you will hear the word COGS thrown around if you are in a manufacturing environment. It can also be called cost of revenue or product cost and those are the costs to manufacture the products such as material and labor cost, anything that's directly related to making a product or service. The second category of expenses is operating expenses. Those are related to running the business, marketing, research, administrative expenses and so on. You typically divide expenses into those two categories and then income/profit is how much is left over. It's revenue minus expenses. There are different categories of income. Most people have heard the term EBITDA, which stands for Earnings Before Interest, Taxes, Depreciation and Amortization. There is another category of income called operating profit. Income and profit remember are exactly the same thing, just a different term for the same idea. Operating profit is the same thing as EBITDA. Net income is the very bottom; bottom line after everything is subtracted out. The critical thing about operating profit or EBITDA is that you are looking at the profit just from the operations. The two things that are not included in that bottom line profit number, interest and taxes, don't have anything to do with running the business. You know how well you are making your product and running your business. Interest and taxes are not related to that.

KE: A part of the confusion I think is the number of terms used to describe the same thing. Profit, earnings, income…

KB: It really is. You know, every discipline has its own language. Marketing does, engineering does. We don't want to get down on finance people too much, but there are a lot of terms that mean the same thing and once you get over that hurdle, a lot of the intimidation does go away.

KE: It seems to me that if an organization is committed to becoming financially transparent, it would be very helpful to pick a term and stick with it.

KB: We do recommend that some of our clients who have very confusing language simplify it. We have had clients do that. With others there are territory issues where finance wants to hold on to their language and operations wants to change it and they have to come to a compromise.

KE: So, now that we have a basic understanding of the income statement, what is the second area that we should understand?

KB: The second one is the balance sheet. It is a little tougher to decipher. Most of us are used to seeing some sort of income statement because that is what a budget looks like in many cases. The line items are familiar to us. The balance sheet line items are not quite as familiar. There are not as many line items that have what I would call 'line of sight', which means that I can see how my job or my department impacts that number that I have a line of sight to. Many people have a line of sight to income statement numbers. It is harder to have a line of sight to the balance sheet. That does not mean it is not important though.

To many people the balance sheet is more important than the income statement. Bankers and Wall Street shareholders probably look at a balance sheet before they look at an income statement. It really signals the long term overall health of a company. So it is important to understand even though managers are not looking at it on a daily basis. The balance sheet is what a company owns and what it owes at a specific point in time. It will tell you sources of capital and the uses of capital, which answers the question, "Where did we get our money from?" Capital can mean just money. So on the liability side, what a company owes is called liabilities. Do we have a liability that is a loan? Are we getting our money from the profitable operations of our business? That is an important question to answer. Are our operations paying for us to grow or did we have to get a loan to grow? What are your sources of capital? How are you using that money? The balance sheet also tells you that.

What a company owns are called assets. How are we using our capital or are we buying assets? And then there is the third major category called owner's equity. That is what a company is worth. I would recommend to anyone that they look at their balance sheet and ask questions. Get to know what is happening on the balance sheet side of your business. It will give you a more complete picture.

KE: What would be the third element of a foundational understanding of financials?

KB: The third element is the difference between cash and profit. And this is my favorite concept to teach. We see so many light bulbs go on when we talk about this concept. You have revenue, you have what you are selling (or what you have sold), the expenses you have subtracted and the bottom line is profit. You would think that that is how much money or cash you have. But that is actually not true. Profit and cash are completely different. And there are three basic reasons for this. The first reason why cash and profit are different is because there are two different ways you categorize expense. We talked earlier about COGS versus operating expenses on the income statement. But in terms of how you deal with them from an accounting perspective, there are current expenses and then there is capital expenditure. Current expenses are those day-to-day expenses that it takes to run the business. They are all those COGS that we talked about, the material cost and the labor to make your product. You need those day-to-day to run your business and make your product. All those things are subtracted from revenue to determine profit. The day-to-day expenses are on your income statement. You subtract them from revenue to determine profit. But the capital expenditures, these are the large longer-term investments. Say it is a whole computer system, or a new big piece of equipment you need to run your business. A printing press, if you are in the printing industry for example. Those are large, long-term investments. You will not see those expenses on the income statement. The reason is because of the long-term investment. The business is going to use it over a longer period of time and you want to match, (this is called the matching principal), the use of that equipment all the way through the period that you are going to use it. So if you use that printing press for 10 years, then the cost should be spread out over those 10 years. You need that equipment to run all of your print jobs so the expense is the little piece every month that you subtract.

The next reason why cash and profit are different is because revenue is a promise to pay. That top line on the income statement is not cash, so you are subtracting expenses from a number that is not cash, your bottom line certainly is not going to have anything to do with cash. Cash and profit are related and you can figure out one from the other, so I am not saying that they are completely unrelated, but top line revenue is a promise to pay, it is typically not what customers pay (unless you are in a cash business). So if you have a hot dog stand and customers are just walking up and paying you cash when you give them a hot dog then that revenue number is cash, but otherwise if you are not a cash business it is not cash up there, it is just a promise to pay.

The last reason is regarding the matching principle. Expenses on the income statement are matched to the revenue. So you have expenses on your income statement. Those are the expenses that it took to bring in that revenue, not the expenses that covered supplies, pencils, pens, paper and all that kind of stuff, or it is the material used to make your product. It is not what was purchased that month and not what was paid for that month. Those expenses on the income statement are the expenses that you incurred to bring in that revenue. So you match your expenses to your revenue. You can see how far away we are from profit being the same as cash. This hopefully gives you an overview of why cash and profit are different and some of the issues to look at in your organization.

KE: Let's go back to this idea of finance as an art. I am wondering if you could give us an example of what you mean.

KB: I mentioned before this idea of capital expenditure; where you buy something big and it does not all go on the income statement in the month. Let's look at some numbers. Let's say that on day one you buy a truck for $ 36,000. If in month one you have revenue of $10,000 and your cost of goods sold, or your expenses that you needed to deliver your product was $5,000, so you have $5,000 left over. Your admin etc. expenses were $3,000, Now let's say you subtract that whole truck right there, that $36,000, in that first month. You have spent the cash, you just throw it down there, and you're done. You have a loss of $34,000 in month one. In month two, let's say you have the same revenue of $10,000. You are going to be a consistent company here with same COGS, with a gross profit of $5,000, your expenses were $3,000 and then the truck did not cost you anything because you already threw that whole $36,000 in that first month, so your profit in month two is $2,000. Just by putting the entire cost of the truck in month one you look like you are doing pretty bad that first month, a loss of $34,000 and then suddenly you turn the company around, you are making $2,000. What did you do between month one and month two? You did not do anything different in months one and two, except something funny on your month one income statement regarding the truck.

The truck's cost of $36,000 should not all have been allocated to month one because the truck will depreciate. That truck is going to help you deliver your product to your costumers and you want to match the expense of the truck to the revenue that it will help bring in. That means you want to spread the cost of the truck over the useful life of the truck because that truck is going to be working for you and helping you bring in revenue for a certain period of time. The issue here is, what is the income statement trying to do, is it be realistic in how profitable your business is? Are you making money or losing money? And do you want to know what the expenses were? What did it cost you to make your product? If you don't spread it out over time you have no idea because the truck was the cost that helped you deliver your product and you need to match that to the revenue that came in.

The accountant has to figure out over how many years to depreciate that truck. Here is where the art is because how does he know? He does not have a crystal ball. He has no knowing for sure, but his goal is to match it so that every month that you are using that truck you get to subtract a portion of the truck cost. His first guess is that the truck is going to last three years, so he is going to depreciate it over three years - 36 months and that means depreciation will be $1,000 a month. So now you have your same numbers. You have your revenue of $10,000; your cost of goods sold of $5,000, your gross profit is $5,000, your expenses of $3,000. Your truck depreciation, because you are depreciating $1,000 per month over three years, is $1,000. Your net profit is $1,000 a month. That's quite a different picture than in the first scenario. If the accountant decides to appreciate the truck over six years, you get a different financial picture still.

KE: And the business has not changed.

KB: The business has not changed, revenues and product and admin expenses are the same in each scenario. The only thing is the art of the accountant trying to figure out over what time period to depreciate the truck to match the expenses to create a sense of reality.

KE: This is a great example because I think it shows for managers who are involved in looking at these reports how they could easily panic and assume that the business is actually doing very poorly when in fact it may not be that it all.

KB: In the six-year depreciation example, profit per month goes up by $500 and again nothing (except depreciation calculations) changed. So you have to understand what the assumptions are underlying those numbers. The art of finance is really understanding what the bottom line numbers mean.

KE: Now typically where do financial professionals go to come up with their depreciation numbers? There must be some guide somewhere.

KB: There are rules. GAAP is Generally Accepted Accounting Principles. There are GAAP rules and other pronouncements as they call them, on how to do things.

With depreciation, some of the problems companies have had came from changing their depreciation to make their numbers look better. So companies can change how they depreciate assets, but they have to footnote that in the financials. That is another reason why you have to read your annual report. Did your organization change how you depreciate assets?

KE: Let's talk a little bit about how the value of employees is reflected in the financials? Where do they show up?

KB: That has always bothered me because CEOs always say employees are the most valuable assets, but they don't show that they value their worth. Unfortunately you can't value an employee. How would you put them in a financial statement? And companies don't own employees; they are not assets really, because that is only what you owe. Their worth is measured by what they do, the value they provide to the company.

KE: Yet their expenses show up on the expense side?

KB: Right and that leads to other issues. Because they show up as an expense, whether it is in cost of goods sold because they are directly involved in manufacturing that product, or whether it is an operating expenses because they are in marketing, research or HR. They show up as an expense, and is that expense something to be cut when numbers are down or is that an expense that we know we need to build because that is what makes the company successful? If you don't have employees for the most part, you don't have a company. So from our perspective, that is your most valuable asset, but again I use that word asset, though they are really not an asset.

KE: I have heard many people say that HR sometimes gets a very bad rap because it is considered overhead. The costs of HR are 'below the line' expenses, they are not part of cost of goods sold typically, is that correct?

KB: Right, that is correct. The vast majority of the time, HR is below the line and it probably would not change even if some HR professionals were put out in the field working in the lines of business. They are still probably going to be below the line because they are not directly related to manufacturing the product or service. Now you can look at the artful side of finance and ask, "Are they critical to success of that functional area and is that functional area part of COGS?" If so, maybe a portion of HR goes above the line. That is something that an organization has to decide and then footnote and say that they are doing that. There are pros and cons to being above the line or below the line. Above the line expenses, some say, are critical to the business, you have to have a product and service to get out the door. But with that comes lots of attention and scrutiny. Below the line, there is less scrutiny and less focus and maybe those people feel less important, but from our perspective, you cannot run a business without the below the line costs, you need both.

KE: Why is a company's profitability important to HR? Also, what are the typical strategies that companies use to address low profit?

KB: Understanding a company's profitability is important to HR. Profitability answers the question, "Does what we do make money or lose money?" From a basic level, everyone who is working in a company needs to know this. It is going to help HR understand, for instance, what kind of people to hire in the short-term. Do they need to focus on sales, operations, research, or efficiency?

The second part of your question has to do with the strategies that companies typically use to address low net profits. There are three strategies. The first is increasing profitable sales. If you have low profits you want to increase profitable sales. You can have lots of sales but maybe they are not profitable sales, maybe it costs more to bring in that sale than what you are selling your service for. The problem with this first strategy is that it takes time. You have to find new markets and new prospects. You have a sales cycle that needs to be run through, so it is a long-term solution. The second strategy is also a long-term solution, which is lower your production costs. Let's say your production costs are just eating away at any profit that you had in the sales numbers. You have to study your production processes, figure out new efficiencies, implement those changes and then wait for those changes to impact the bottom line. The one strategy that we see most often and we hear about in the paper is the third one – cutting head count. Salaries are usually one of the biggest numbers on the income statement. If you look at salaries and benefits, especially in a service organization, that is going to be your biggest line item. The problem as we all know is that it really only helps short-term because what happens is the morale goes down. You have lost some of your key people. How can you really support the business if you have fewer people? So there are other issues that crop up that can make this particular solution backfire. Our approach is to hope that people are thinking in long-term solutions. But the difficulty with that is, especially if you are a public company, are short-term results what Wall Street wants? What are your quarterly results? Are the numbers looking better and better and better? Did you meet expectations? If you have to meet certain numbers and cutting head count is going to help you meet that number, otherwise your stock price is going to go down, what do you do? Can you wait a year for your sales cycle? Those are tough questions that you have to answer.

KE: I think you touched on a very important point. Many leaders express their concern about the pressure to present a pretty picture to Wall Street and the destructive effects that has within their organizations.

KB: A lot of companies are aware of it but they get stuck. And there are certain companies that say, "We are not going to get stuck by that, we are long-term thinkers, we don't care if our stock price goes down in the short run because we are focused on the long run." But, it takes a very disciplined culture and disciplined leadership team to hold on to that because the pressure is so great to keep that stock price in a certain place, based on expectations.

KE: With the ramifications of the labor pool tightening, we all know how hard it is to find talented people to hire. Having to go find more after you've just let a bunch go must be very difficult.

KB: Right it is. Sometimes it does have to be done, your market changes, you have different types of customers, maybe you have fewer, bigger customers and you just don't need the sales force that you used to need. So there are lots of issues when sometimes you do have to reduce the headcount. That has to be done thoughtfully, understanding the big picture, not just looking at the numbers and making some cuts. Let's look at the big picture: What is happening in our market? With our customers? With our competitors? And what kind of solution can we come up with? It may be a combination of these three things. And you have to look at what is best for the business, because if you don't, a lot more people are going to be out of work and the business is going to disappear.

KE: Absolutely. I have heard some wonderful stories about companies doing a great job of redeployment - training people to be able to step into different kinds of roles within the organization or transitioning people into companies with whom they have an alliance.

KB: Exactly, so there are lots of creative ways to look at that and it comes back to the question we addressed earlier - how do you view employees, are they just an expense or are they really valuable contributors?

KE: You have a chapter in your book called "Cash is King", why don't you tell us what you mean by that?

KB: If you don't have cash, you will go out of business. If you don't have cash, you are not going to be able to write those payroll cheques, and people are not going to work for free, so you need to have cash. Cash is king. You have to pay your bills, fund growth, and make payroll, all those kinds of things. There is an interesting story by the co-author of the book, Joe Knight, who tells this story. When he is not teaching Business Literacy he is the CFO for an engineering company and he from time to time participates in the interview process for new engineers. Every time he interviews someone he asks, "Do you want to see our financial statements?" Their company is very transparent with their numbers. Candidates will just say, "No, that's okay, I don't need to see them," and then he asks a follow up question, "Well, would you like to know if we can make payroll?"

The balance sheet is going to tell someone if there is enough cash to make payroll. You can get cash from a variety of sources; it doesn't just have to come from operations. You have a healthy company if you have cash from operations, but you can get loans, you can sell equipment, but you really do need cash to keep growing and keep supporting an organization.

KE: Sarbanes-Oxley has put some significant practices in place to assist with corporate governance. I am wondering if you could tell us in brief what it means for a public company?

KB: There is a lot involved in Sarbanes-Oxley, which was the law enacted in response to the financial fraud that occurred in companies such as Worldcom and Enron. It was enacted in 2002, (Sarbanes and Oxley were the two writers of the law from Congress) and is designed to improve the public's confidence in financial markets by strengthening financial reporting controls. The penalties are for non-compliance and there are five categories of things that it really addresses. The first is for the accounting profession and it bans firms from selling non-accounting services to their corporate clients. So those auditors that come in and audit your books can no longer sell additional services to their auditing clients. From a corporate board of directors' perspective, the audit committee has to have at least one director who is a financial expert. The audit committee has to set up procedures for employees to confidentially tip off directors to fraudulent accounting. That is a requirement in Sarbanes-Oxley. From a CEO and CFO perspective, they now have to certify that their company's quarterly and annual financial statements are accurate. It also establishes a code of ethics for senior officers and a company can't fire, demote, or harass employees who attempt to report suspected financial fraud. From a regulatory perspective, the Securities and Exchange Commission increased their budget to regulate public companies, they can put more resources behind the regulation. Finally, there are more internal controls and public companies have to report more, look at more, document more. Those controls have to be addressed in the annual report and management has to certify again that those controls are effective to ensure accurate reporting of the financial results. Basically what they are trying to do is regain public confidence and more financial transparency, to see what those numbers are, understand them and feel confident in them.

KE: As we near the end of our discussion today, what are your final thoughts on financial transparency?

KB: We are true believers of financial transparency. You can talk about what shareholders understand about the company, but we believe what is equally or more important is what employees understand about the company. Do employees understand the financial side of business? Are the numbers transparent to them so they understand what's going on and how they make an impact? With that, you are telling people you trust them, they are smart enough and you believe that they can participate in the success of the business.

KE: What recommendations do you have for HR professionals to increase the financial literacy in their departments and also across their organizations?

KB: My experience is that HR sees that this connection is critical and important and the first step, I think, is to get executive sponsorship. We all know that just throwing a training program out there isn't always a great solution. If you can get executive sponsorship to say, ”Yes, we want to integrate this into our organization and we want everyone to understand how important financial transparency is, what do we need to do to accomplish that?” - then you are going to have a much stronger program than just a training program. It helps to partner with finance. I wouldn't say that finance is necessarily always the best group to implement the program because they are subject matters experts in that, it’s difficult for them break it down into an approach that works for non-finance people, but certainly you want them to feel good about what you are doing and be a part of the team. The organization benefits from everyone becoming more financially literate. And you want to tie the learning to what's going on in your organization. As everyone in HR knows, the more you can integrate it into your organization, the more lasting impact it’s going to have. I encourage you to include ongoing communication about finance and about the key numbers in the organization and help people use the information to make an impact.