

-- Speaker 0 00:06 You guys ready?

Speaker 2 00:09 <inaudible>

Speaker 0 00:22 good morning and welcome to business and legal talk with Lee and Claudine. I am your host Leo land, the diverted with Greenland. And I have Micah host Claudine here. Say hi. How are you? Good morning. Good morning. It's a beautiful Saturday and I, I'm uh, I had the best cup of Salvadorean coffee anybody can buy and uh, I had it today and I'm feeling did you, and I know you have some of my stuff other than coffee, so no I don't. Not anymore. Well you're finished at all in one week. We did. We've, well it wasn't quite one week, but we do drink a lot of coffee around our house. And then when I, this coffee was absolutely off the hook. I mean like I didn't make a second pot. So how did you guys, okay, so for, if you're listening to this show, we're, we do stock a lot of business, but right now we're talking about coffee and I think that's very important topic to discuss for those.

Speaker 0 01:14 If you don't read, if you don't drink coffee is that, it's hard to relate to me. But if you drink coffee, I'm your best friend. Right. Anyways, so coffee, you know that and the way that it is prepared, um, and they'll solve others. It's, it's sort of either French pressed. Okay. Uh, because you don't want to burn to coffee. Right? Or you can do this pour-over and just in the start, but most coffee in the U S is burnt. It comes out burnt. But have you taste it? That's why he's bitter. Right? Coffee's not supposed to be bitter. I'll tell you, you don't need to have sugar. And it was so light. It is light. Why? Because it's another, it's, it's funny because I drink dark roast. I want my coffee to be super dark, super, super strong. And when you look at the coffee grounds, there are black.

Speaker 0 01:57 Yeah. And um, when I opened this copy that you brought and it was so light Brown, I thought, Oh, is it going to be dark enough? And sure enough, it was delicious. So I still have, so we're going to have to get a shipment anyway, so we got a great show for you today. Thank you for tuning in. We love the feedback and um, the feedback is great. And um, today's show for those of you who are taking notice how technology is changing the way we do business. Right? But before that I have some news. Yes, of course. Beer is no longer in Colorado. Did you know that? What's yes, the Rocky mountain instance. So what's going to happen to my can of beer that had, it won't look the same. What happened? We won't have no more Rocky mountain, no more commercials with Rocky mountain spring water. Um, the beer giant has decided to move from Colorado to Chicago. Say it is going to be a downtown beer. What's Y? Y w w just um, you know, just changes in the business

Speaker 3 03:00 model of it appears that for whatever reasons they decided that that would be a better, better plan. And they employ 2300 people in Colorado and they will about 300. Those employees will work in Denver and most of them will be offered jobs at the end, a relocation package to go to Chicago. Although I have to say if I'm living in Colorado, I'm not sure I want to move to Chicago. It's such a huge change. Hmm. Wow. I mean, Denver Denver's a big city, but Denver's not Chicago. Come on. Yeah, I've been to Denver, but what a beautiful airport they have there. Yeah. Isn't that one of the largest airports in the U S I would guess it's Brent was fairly new. I would guess so. Okay. So that's an update now. Coffee to beer. Any more updates on the legal side? Do you know? Um, well we had a really interesting one here in California where a Walmart was sued and Walmart was sued for putting products in packages that were too large.

Speaker 3 03:57 And a number of our district attorneys throughout the state of California got together and sued Walmart claiming that Walmart was deceiving the imp, the purchaser by having products in these oversized packages, um, thereby insinuating that the product that you were getting more than what you were getting and then people would open up the packages and find out there was just a little small amount of whatever the product and these were all Walmart brand things more, more. It has its own brand called equate. Yeah, I seen it. Yeah. Yeah. They came in and Walmart has agreed to pay \$495,000 to multiple counties throughout California that were involved with the lawsuit. Um, all over. Basically the D the district attorneys were cl --

-- aiming that it was deceptive. So there you go. Just a little. I don't think that the consumers are going to actually see any of that money.

Speaker 3 04:51 I think the money's going to be going to the district attorney's or the various counties through that the district attorneys worked for. Um, I'm not sure that the consumer is going to actually see that, but interesting. Fresno's one of those counties. Wow. Geez. So, okay, let's change gears. Let's change gears. So, so there, today's show is about really there's changes going on in technology and really if you're a business owner, you need to be really paying attention to what's going on around you. Right? And in a lot of this technology is going to allow you to, um, be far more efficient. Um, a lot of it is good and shrink liability. My favorite thing, the less liability, the better. Does that help us increase profit, which is my favorite. It always does in the long run for sure. In the long run for sure. So do you, you, you gave me a couple of articles for us to discuss today and interesting stuff.

Speaker 3 05:44 Uh, w which one do you wanna talk about first? Well, I kinda thought they, they, that AI platform would be a really good, interesting thing. So this is really interesting cause a lot of times we'd done a number of shows where we've discussed employees and the value, the asset that employees are to a business. Um, and, and how do you continue to keep them an asset? And not have it actually cross over to the debit side of the column as you would say. Whereas the lie, the employees are become a low coming a liability. Um, and a lot of times we lose that when morale goes down and maybe some changes within the company are not received well by employees. Um, employees kind of banding together and it becomes us versus them mentality. I have seen management do that on a number of occasions, a number of companies I've worked with, um, where it really is an us versus them mentality and it's coming from the management side.

Speaker 3 06:38 Um, I think the, the union model also kind of sets up that us versus them mentality where, you know, management is on one side of the, the, the game, one side of the field and employees are on the other side. And then the, that it creates this natural, um, adversarial position where it's us versus them. So one of the new groundbreaking technologies that I came across was, um, a new AI platform that, uh, the inventor refers to as the MRI scanner of your organizational health. And it allows you to have an ongoing interaction with your employees on a daily, multiple times daily, um, uh, basis so that you can keep in touch with your employees. You keep a beat on the morale, you keep, um, an a, an idea of how they're doing at any given time. Whereas prior to this type of a platform, what employers were utilizing was a couple of times a year they'd maybe have a retreat or that you surveys. Um, you know, a lot of times that's an invitation to complain. And so does management actually take the survey seriously because they've got 15 complaints in it and they kinda just throw it in the round basket and go, yeah, whatever these people are just complaining. Um, so I thought this was really an interesting development,

Speaker 0 08:00 you know. Um, gosh, uh, I've been having conversations, Reese, I think technology evolves out of some pain point, right? Um, can we agree on that? Like there's a technology innovation. Whenever we hit a roadblock and, and, and business, you know, in businesses, a lot of the, uh, advanced in society happens. It's his business, it's for profit. You know, it's, it's a, you can, you can argue all the ways the nonprofits actually contribute. And there's a lot of great, and there's a lot of good, but a lot of the biggest innovations happen for profit, right? Right. There's a need in the market. Something happens, and I see this, we're on a collision course between the ever increasing needs, the care of the aging population or employee population, right. And, uh, which drives up wages and businesses trying to reduce labor costs, right. Without having to increase pricing, because at some point something has got to give. Right? So we are on this collision course and there's this artificial intelligence, this machine learning technology and, you know, and you then you get, you know, here, um, luminaries like Elon Musk that talks about, you know, the advent of AI and how that's gonna change --

-- the world. Right? What does it mean for employees? Well, I think a lot of it

Speaker 3 09:16 is, um, right off the bat, we all have a fear AI. Oh my God, it's going to take over. It's, yeah. It's thinking for itself. It's gonna grow. It's gonna, you know, pretty soon we're gonna lose control of yes. Right, right, right. Um, and so I think I really like to see innovations like this because to me this isn't necessarily a AI where it's thinking for itself. Um, but in a way it really is. So this particular inventor uses four types of data analytics, uh, descriptive, which tells you what's happening in the business diagnostic, which determines the cause of the problem. Predictive, which determines what's likely to happen, prescriptive, which offers strategies for improvement. And so employees can interact with this, um, system, uh, and answer questions, you know, input information to whatever extent they want. It's there, it's available and it's, they're asking actually employees to, you know, to really take time to engage with it.

Speaker 3 10:16 And when miss system receives that information, it starts to compile it and contrast it and kind of cumulate it. And, and it uses these spore data, Adelaide analytics in the end, which again, descriptive, what's going on diagnostic, what's the cause of the problem, predictive, what's going to happen next and prescriptive, how can we remedy it? Really, really amazing stuff. And I think if you, particularly if you have a large company, if you can employ something like this, um, in a, in a technology base that you, um, you could really have a beat on what's going on in your world.

Speaker 0 10:54 I think this is going to put me out of a job. No, because it didn't say anything about numbers or no correlation. Just yeah. I think what we're moving into stage in which you're going to be paying people like us, you know, you and me are going to be paid so we won't be consulted and really be ahead of the curve with companies. But stay tuned. We got a lot more packing in for you. Uh, ed business legal talk with Leah. Claudine. We'll be right back.

Speaker 2 11:19 Beck. Okay.

Speaker 0 11:41 Welcome back. We're talking about artificial intelligence and what it means for your business or how's technology going to help you in your business, make more money and be sustainable. Right.

Speaker 3 11:52 And we all that if we keep our employees

Speaker 0 11:54 happy and they're engaged and they're producing, um, then businesses more profitable and just end the end of the day. You know, I, I, I, I take, I like to keep things simple and I always land on the balance sheet. You know, assets, liabilities plus equity.

Everything around you as a business owner could be an asset or liability. Depends how you're treated, right? Right. I think a lot of us, I have come to the conclusion that a lot of us really underestimate or don't take care of our human assets, right? Your employees are employees. I know you do a really great job making sure that we are treating them right, that we are obeying the laws. Uh, but are we training them? Are we helping them be all they can be? No pun intended. So I think if we don't do a good job with our human assets, they're going to leave you. They're going to leave us. Right? And where are we going?

Speaker 3 12:45 Well, this, this is why I chose this particular piece of technology to talk about because this particular piece of technology is like a listening device. And an employee can go to this device anytime they want, they can engage with it. The more they engage, the more, um, this technology develops its resolutions and identifies problems. And so the more the employee is engaged, the more data it has. It's learning. So that's where the AI piece comes in.

Speaker 0 13:15 <inaudible> machine learning. Correct. Right,

Speaker 3 13:17 correct. And so it helps companies reveal things like stress, frustration, burnout. Once their company's aware of the problem, then they can develop ways to retain the employee or maybe change the frustration, change the stress levels. Um, it saves a lot of dollars in the process. It becomes a listening device, a listener, and I don't want to say listening device like a recording device, but if we all had time to sit with our employees at a moment's notice and just listen to them, just listen, this is what I'm frustrated about. This is what's not working for m --

-- e. Um, you know, the school has changed the hours that my child has to go to school and now, you know, it's completely shifted my entire, um, you know, commute to work and so on and so forth. And I'm frustrated. And if you knew that about your employee, then you could say, well, Hey, we, maybe we shift your schedule or we do this and you know, come up with solutions to resolve the problem.

Speaker 3 14:16 But too often as business owners we just don't have that kind of time to sit down and literally listen to employees at the drop of a hat. Um, and so this is really interesting because it gives the employer that opportunity to put this in place of them. They can listen to them, but it's also reactive. It's, it's developing, it's developing resolutions and predictions. How much is that little, you know, I don't, I wasn't able to determine a price, but I can tell you that this particular one was developed by, um, a guy who had 1300 employees. So it's a pretty good size company. But what we're going to see is we're going to see this, these type of technologies are going to continue to develop and they're going to be more available for the smaller, smaller companies.

Speaker 0 15:04 Great. Um, no, I, I really like it. I mean, I think his, um, we as business owners have to strike a balance between keeping our eye on what's going on today, right? Making sure that the wheels are not gonna come off right. And you know, that it's hard.

Speaker 3 15:19 If I could just at a moment's notice, log into a system and have it show me, um, you know, what my staff is thinking, what my staff has been feeling over the course of the last week. Um, you know, multiply that exponentially. If you have larger businesses and you could, you know, at a moment's notice, you know, be able to tap into, you know, what your employees are thinking and feeling at any given moment. That's huge. You could also identify key employees. You could also identify, um, problem employees. You can identify employees that come to the system with a resolution or with a suggestion or with something positive versus those who are coming to the system with nothing but negative.

Speaker 0 16:03 You know, happy. It goes back to this thing I learned a long time ago. Happy employees don't leave unhappy employees, not just leave. They're gonna hurt you as they leave. Right? So if you're thinking about not, not all of our listeners right now have a company with 1300 employees becoming support remains, right? How do you, you only have 24 hours in a day, right? Right. And if you are your typical business owner who are between 35 and 55 and I'm sick and speaking for the bulk, you have a bunch of employees to manage in the office and you have a family to run at home and you only have X amount of hours. How do you do everything? I think it's just using technology to leverage your time, right? You know, you can make all the money in the world, but if you don't have the energy or time to utilize it, you're back to square one. It's what do you think? Well, we all want, Claudine, is discretionary time, time to do what we want, right? And have a business that is operating with happy employees that are giving you feedback. I think I'm a pro. I'm all in pro of using the technology and I really like to see what this is. There is a, there's a dark side to this, but there's a lot of good benefits if you just come in at well informed, don't just do your own research and everything you do. Don't just take somebody's word for it. Yeah,

Speaker 3 17:20 well it's amazing that somebody has recognized that what we really need is another, you know, person, a clone of us who can just go through the business day in and day out and listen to the employees. And basically that's what he's created is something that listens to the employees, identifies the problems, predicts, develops resolutions and then predicts results.

Speaker 0 17:40 Now is this like a, are we talking about like a M a S a S you know, I'm thinking like a dummy, like in this car who sits in a desk <inaudible> app and system.

Speaker 3 17:50 It's a computer. It's a SAS software as a service type thing. Exactly. And you interact with it. The employees do and then they, so you records or watches it and the more the employee is engaged with this app, the more data the app has and the more efficient it becomes. So again, if you have a larger body of employees, then this is reall --

-- y super fantastic because you can really gain a lot of data and you can recognize problems within your company that are across the board, whereas you may not have ever known that, that, you know, the, the bathrooms are located on the second floor instead of the first floor. Like literally everybody in the company hates that. Wow. So, Oh, okay. It would make everybody's day happier if we just, you know, put us out of bathrooms downstairs. What are the things, so, so where did this thing about technology, what else do you see in your crystal ball?

Speaker 3 18:41 Well, another one that really jumped out at me was this, um, this company has developed a product called sober. I, so for employers who are in the construction industry or in the industry where they have employees running machines or that manufacturing or they have employees running power tools or you know, climbing on roofs or you know, swinging off of scaffolding. One of the things that they're constantly worried about is obviously worker comp injuries. Right. So what we have found that primarily what causes employees to be paired are a combination of lack of sleep, alcohol, marijuana or prescription drugs. Those are the top four that impair top four that impair employees, none of which are illegal particular here, here in California. Right. So as an employer you're walking on a very Rocky road when you are trying to drug test employees. Um, you know, a couple of years ago we had a um, a new ruling kind of come down that um, in, it used to be where whenever there was an accident automatically, uh, employees got drug tested and now we've had a new regulation that came out.

Speaker 3 19:52 Well it's not new, it's a couple of years old at this point, but they said that we can't just automatically drug test them in unless there is some causal relation between an impairment and the accident. And the, the example that they used was if an employee got stung by a bee, you could not go take them and automatically drug test them. The beasting is an injury, no question. But there's no causal relation between that and any kind of drug use or potential drug use or alcohol use or or anything like that. So you're prohibited from sending them for a drug test. Okay. Opens up this question now. So it kinda down the line of profiling. So if you're in construction and if you're a superintendent and you walking around in the job site and you see somebody that to you looks like impaired. Right? Okay. Do you have the right to drug test the person on the spot and single them out? Just because they look impaired? You better be very, very careful. And I would say no. I would tell them, I always will. You advised a new business owner

Speaker 0 20:48 I instruction. I would tell them, have a conversation with them. See if you can't make some more determination, sometimes you'll get an employee to admit it. Um, I would be very, very careful, right? Not a cut and dry answer for that circle. So if you have any questions and you need to call, need to call you. Well yeah and each, each situation is going to be no. But the point is that don't assume anything, right? Don't profile, no, no, no. Don't. Very careful. Very careful. So this is a very sensitive area and this just came up. I should have told you that. This is one client that I like to talk to you about at some point that I want to bring you on because they are with employees and job sites and things happen in the conversation we had. I have one on my clients and, and there's just something about it.

Speaker 0 21:39 I said there's, we have to proceed with caution. And where I, where I landed was you can't profile, right? Because that's not fair, right? But what, but what is the legal basis for anything? So we're kind of in this gray area. When in doubt, talk to your lawyer in HR lawyer and I think you're wonderful at that, Claudine. And, and they know we, you know, where do we find you again? Oh, funny thing you asked. Funny you should ask that. Um, we are located at 1101 Standerford Avenue in Modesto. Uh, we also are on gear road in Turlock, and our phone number is two and nine, four, two, seven, 2200. And you know where to find us at Greenland HQ, the land of green, we are here to add more profit, more value, and more freedom. And isn't that what we all want? You can call our office.

Speaker 0 22:28 We serve the entire state. Um, anyways, so it's kind of a tongue in cheek kind of thing. --

-- But back to this, you cannot assume don't. This is when dealing with this matters that could be legal. Don't be so proactive, rather, you know, don't be so reactive. Be proactive. Right? Right. Call don't react. I think a lot of business owners are very overs. They can get overzealous and in a, in, in an effort to drive revenue, they will do things and they will push people so hard to the brink. Right. And I think you've gotta be careful. But this, I really like the sober, I see this sober eyes, a real breakthrough technology. It checks in individual's eyes to evaluate the risk of impairment for a variety of factors. So when a police officer pulls you over and he wants to check your eyes or you know, check your impairment, checks your eyes, uses the light, flashes it in your eyes. Um, and, and we do that in a, in a number of the doctors do that immediately when you come in, they want to check your eyesight, they flash a light at you. So this will, um, it will detect impairment through fatigue, alcohol and legal and illegal, um, even prescription jugs. Um, they don't look for the cause, they're just looking for the effect. And I think that that this is the liability thing here. This is, this is where we just

Speaker 3 23:46 switched out of being a really libelist situation where we could have a problem with an employee because perhaps we're accusing them of being impaired for some reason. We're saying, Oh, but you know, you must gotta be on drugs, or I think you're on drugs where I think you're drunk or you know, you've been using alcohol, which could really create a problem for the employer, from the employee, where at this point, we're not worried about what the causes. We're just worried about the fact that you're impaired. And that's simply the only conversation we need to have is no, I don't want you on the scaffolding because I believe you're impaired faced on my technology. And it's not based on my opinion. It's not based on, you know, the color of your skin or the fact that, um, maybe you're female and you're on a job site. And I have a problem with females on job sites. We just completely skip over all of those scenarios that are, um, just Chuck full of liability.

Speaker 0 24:41 Here's an interesting fact. Um, uh, you know, I saw numbers, I had to speak about it, right? Uh, industry data shows that accidents that require medical intervention cost the company \$40,000 on average. Um, and according to the occupational safety and health administration, the U S employers pay in estimated 1 billion per week for direct workers comp costs alone. Can you imagine what it does to the modification rate? So there has, it's like a domino effect. Absolutely. Somebody is impaired in whether they're intended or anything that they get hurt. It's gonna affect everybody.

Speaker 3 25:19 The interesting thing that, um, some of the companies that are using this technology are actually using it after hours before employees go home. It takes a minute to see if employees are fine to drive home.

Speaker 0 25:33 So if you work at a restaurant, this opens late. Um, and you know, you can be impaired if you're tired.

Speaker 3 25:39 <inaudible> well that's the whole thing is, is so many times employees are accused of being impaired for this, that, and the other reason when it just fatigue, maybe they've worked a whole bunch of shifts back to back to back.

Speaker 0 25:51 True stories on enforcement, law enforcement. You know what a lot of us can, you know, sometimes this, this seems to be this love hate relationship with it. Let me know. Law enforcement across the U S and some, some time I think more often than not, uh, police officers are portrayed, you know, as, as the bad people. But I had a situation happen to me many years ago and I was actually coming off a very late shift on a graveyard shift in the early days when I was just out of college, I couldn't find a job. California 1993 and I was coming off a shift and I was dead tired and I should have just stopped, you know, just as I was and I a couple of miles me driving, I would just, you know, go when you go to the center lane anyway. And then a police officer saw me and then he pulled me over and he was very concerned and he just says, Hey, Hey, cause it was in a, it kind of an industrial area says are you, are you just getting off work? And I said yeah and any, you know, you know what he did? Well, he cleared, cause I clearly, I was --

-- n't in pain, I was tired. He says, you know what, where do you live? So I thought, I'm gonna live two miles down the road. He actually scored me home. Right? That was back in the day when they used to be able to do that. Amazing. So I was grateful. So anyway, Hey, did we, you still got a lot to talk about. Stay tuned. Don't go anywhere. We'll be right back.

Speaker 2 27:01 <inaudible> <inaudible> <inaudible> <inaudible>

Speaker 3 27:25 here we are coming back from a break and uh, continuing on with technology in the workplace and some of the new inventions that are coming out and really, really, I think these type of inventions are going to absolutely revolutionize, um, and make business owners so much more productive businesses better and less liable. This, the sober I is such a breakthrough, I think. Um, and it, again, it's sober. I like E Y, E, all one word. That's the name of the product. Um, if you look at what businesses are spending, eh, and what it's costing between workers' compensation and the injuries that go along with the workers' compensation, it's estimated at 1 billion per week for direct workers compensation costs alone. Right? So if we can cut some of those worker compensation costs by focusing on impairment and not the cause of the impairment, I mean it's life changing revolutionary to the industry. Good stuff. Yeah. Yeah. Um, so <inaudible> attractive, um, for large clients or even smaller clients, um, I think it's really taken off in the law enforcement industry. Um, so, you know, officers can test themselves, um, you know, when they're coming on shift or if you've gone on a long stretch and it's just a much better answer than a drug test all the way around. So pretty interesting.

Speaker 0 28:50 Right. Well, thank you. Thank you Claudia. And so what else do you want to take us with this technology?

Speaker 3 28:54 Okay, well, I really thought it would be great if you, um, one of the articles that I ran across was actually what you do and I know, so who would have thought, but, so I, I'm not sure that we've actually ever really talked about kind of holistically what, what you do, which is fractional CFO services.

Speaker 0 29:14 Well, let's talk about it. Um, you know, this, this is very unique concept because it's a lot of companies, you know, everything that you see in the bigger companies, you know, the, the data reporting, the data points that the intelligence gathering, the, the, you know, like, I imagine, imagine those war rooms when all the executives sit around the board room and they're making decisions based based on what the future of the company is going to be based on the past. And all this fun things that we see in movies like wall street and all die with how they re all of that. It's put together by financial analysts and see if people like me. Right? And the problem is the costs associated with having someone to be able to create all that intelligence and the level of studying, you know. Um, so what is a fractional CFO?

Speaker 0 30:04 A fractional CFO is someone who will be working with a company, uh, in devoting an X amount of hours, a, a block of time per month, uh, that will cost you a fraction or what he will cost you to have a CFO working for you full time. Right now in California where we are, I'm in, depending on where you are in the state, uh, for you to hire a chief financial officer to really help you get to the next level as a company. And you need to have that intelligence gathering in, basically look in the crystal ball and you know, and tell you where you're gonna go, you're going to have to spend anywhere from, you know, 200 to a half a million dollars or more. Right. And a lot of the CFOs that will want ownership, they will want a strategic, um, you know, a golden handcuffs if their employees and you start really add up the dollars, you know, they can say your back quite a bit and it's really cost prohibitive.

Speaker 0 30:58 You know, the companies that actually can afford to have a, the leadership in the accounting department, which is what a CFO is, is the leader of the accounting department. And in the C suite, you know, and the chief executive suites, you got three key positions that all publicly traded companies have. And they are this chief executive officers and the CEO, which is the visionary. Um, and there is a chief operating officer, the one that is basically running the show. But there is one per --

-- son that gets often neglected or not talked about in the news until something bad happens. And that is the chief financial officer. So oversees the financial systems well overseas that make sure that we're gonna stay out alive and thriving and well, not just alive but thrive. Right? So the way I like to explain what that the, how the three of them work together is, so the C C the civic, the CEO will say, Hey, we're going to go after that market.

Speaker 0 31:51 I totally see us really dominating and really becoming the biggest player and the most profitable player. And we're going to do that by creating all this products or services and we're going to tweak this, we're going to treat that. And just, you know, you get excited about division because that's where the CEO is the visionary, but sometimes visionary to their own detriment. So the C O will ponder in say, you know, a wow, that is a great loft division, mr CEO, um, here's how I think we should go about it. And he started breaking down the processes of how you're going to be able to run the business to accommodate the growth in all division that the CEO has. Without the CEO, there's no vision, right? Right. So the COO takes that vision and will turn to me as CFO and says, how are we going to afford that?

Speaker 0 32:37 Right? The CEO says, we won. Let's take that Hill. We're, let's go. Right? The COO would go, okay, well here's how I think we're going to do it and this CFO will go, this is how we're going to afford it, right? So to have that a fully, you know, companies that are between zero and 15, 20 million, depending on the industry you're on, uh, between zero and 20 million doesn't really need a full time CFO, although they can, everybody can benefit from it. However, for companies that are growing fast, regardless of the revenue, and there is venture capital involved, right? There is investors, whether they're angels or venture capitalists, there will demand that there's a CFO running the show on the financial side. And it's funny cause if you watch the shows, you know the, the, the, the, the, the show's about raising money, right? Like the shark tank and all this shows that I'm in eldest spinoffs.

Speaker 0 33:33 Right? And you're going to see the sharks really looking intently or what the CEO is saying, all this great dreams and loft divisions and they go, yeah, yeah, yeah. Okay. CFO, what do you think? Can we do that? Why do they do that is because the way that we are wired when we are a CFO, we're cautiously optimistic, right? So you want to see proof. I want to see, well I want, it's like the doubting Thomas. Are you okay? I like where you're going, but I need to really play with the numbers to make sure that we are going to be fiscally responsible, not just, um, take aim and then have nothing is like driving down the freeway without the whole team that I talk about all the time. Having a dashboard, we love technology. And CFOs and technology go hand in hand, right? So at a fractional CFO is that gap between a company that cannot afford a full time CFO that you absolutely need to have. Right. And the employee you can't afford. Right. But getting that intelligence at a fraction of the cost, right. There's the, there's a market for it. Right. And it's really been a huge thing for us and now we're covering the entire state. You know, there are companies that see, okay, I get it right. I, I get into the mind of the CEO in division. I love working with visionaries and don't get me wrong, I am a visionary, right? But when I'm hired as a CFO, I have to take that different

Speaker 3 34:58 mindset. It's interesting because I think that that people don't always understand what a CFO does. And, and the CFO, yes. Is optimum. Optimum <inaudible> I was going to say it backwards, but, but cautiously optimistic. But at the same time, the CFO overseas in a traditional company oversees the finance department, which includes a whole number of things. It includes payroll, it includes accounts receivable, it includes accounts payable. And it includes revenue. So there's a whole bunch of wheels that are turning in the financial department that the CFO oversees all those. And so when people hire you or somebody like you as a fractional CFO, that's kind of what you're doing is you're overseeing a whole number one, a whole number of the financial elements that are contained within the company. So it's not just you doing bookkeeping, whic --

-- h is kind of recreation of historical activity. Um, then then there's the piece of, well, we want to spend this, but then you've got to figure out, well, wait a minute, how do we predict if we're going to have enough money to actually do that? So it's really interesting what you do. And I think this is a huge new thing for small business. I haven't until you, I've never met anybody who had done this

Speaker 0 36:15 correct. And there's just a really, um, in my area, we're the only firm that actually does this. Um, they're in bigger cities. You know, LA, San Francisco, New York, Chicago, we'll have, uh, um, <inaudible> a handful, but there's not a really big industry. We're sort of at the, at the, uh, at the forefront of this revolution where when business owners demand more than just an accountant, right? They want somebody to think is strategically thinking, cause I am paid, I am paid to worry for the CEO, right? So you got two of us worried about it, right? And I'm, and I'm paid to really anticipate your every need as a CA, as, as a business owner. I have to. So the easiest way to explain what I do is only I worry about only two things. There's two things that CFOs do and two things only. You want to know what those are in coming out though risk in cash.

Speaker 3 37:05 So, but it's interesting I think, I think when you say that though, you kind of sell it short because you're actually doing,

Speaker 0 37:13 yeah. Well let me, let me, let me go ahead and dive deeper. Right? So at risk and cash cash, the C F O O needs to make sure that the company is adequately positioned correct. In cash for today, six months from now, a year from now, three years from now. The berm, the rate that the company is burning their cash, which is your most precious resource, right? Um, it's at an optimal level. We're being very, very profitable. You know, the cash in, you know, your, your, your, which is from your accounts receivable and your accounts payable, which is your cash going out. So what are your expenses versus your income in the, in the Delta between is what makes a company very profitable, right? I'm, I'm, I'm trying to oversimplify, so I worried that makes sure that the controller, right? So there's the CFO, there's the controller and there's the accounting staff, the account managers, you know, the VP of, on everybody who is below the CFO.

Speaker 0 38:10 It's mining the day to day business. Our job is to take from where the controllers is with the data, which is the, the gatekeeper of the debt. And we have to look into the future. And so we need to make sure that the company, there's only three sources of cash by the way, generated by the company, number one, which is the one that is the cheapest, right? Number two, you get a loan and no bank financing or asset, anything that is land to the company, it's the number two source of cash. Number three is equity is the most difficult and most precious, you know your partner, you're away with your ownership, right? It's only three ways that we're going to get cash as a CFO, right? I'm thinking where does the cash come in from for today, for tomorrow, three months from now, a year from now in how are we going to secure it in our financials in order and risk?

Speaker 0 38:57 Right? And that's why the, the, the human resources department falls under the jurisdiction of the CFO because there is the largest expense and the most exposure could be not properly running an HR department, you know, in the staffing and the people in the insurances, in, in management of the insurance portion, which is how you had your bets on risk, right? If you had unlimited funds, you don't need insurance. But we are living in a different world, right? The way you hedge your bets is the smart way is you use insurance to leverage every dollar you have. So you don't have to pay it out of cash. You insure against the future, right? So that's this whole thing about we want to make sure that the company is optimized as much as it can get as much cash as you can, but it's incredible to have that service when you're a small business.

Speaker 0 39:43 It's incredible. It revolutionizes your business. Um, to be able to sit down with somebody who takes over the analytics of all of those different systems that are the financial assistance particular that are working in your business and can sit down and use, utilize that to predict and to develop growth. And you know w --

-- hat it is, it comes down. If you go to our website at Greenland, [hq.com](http://hq.com), it really comes down to three things that you really care about as a business owner. More profit, more value, and more freedom, right? The number one source of cash is the profit in your business. My number one job is not really keep the Cassius make making as much cash as possible. So you need somebody like me minding your business. Absolutely. I can't tell you there, there are people that I've come across some of my clients and I've thought to myself, Oh, I can see what you're missing. And, and sure enough, they, um, meet with you and they know what they need. All right. Hey, I hope this is helpful to you. We're talking about, we gotta come back. We have one more segment. Stay tuned. We'll be right back.

Speaker 2 40:41 <inaudible> <inaudible> <inaudible>

Speaker 0 41:10 come back. This is illegal. Talk one near Claudine. What a fun topic. Technology in business. We were just talking about what CFOs do and how we, uh, are here to help you. I'm here last in the last segment, I think, you know, we get into kind of a separate but related topic and um, you know, how technologies you've been disrupting. Remember what I said about when something, something bad happens. Technology is, it's used to disrupt an industry, right? And one of the industries that has been disrupted as of late as the banking industry, right? And because of the interesting trend, we just did a show, um, last week about immigration and you know, the universal trend where things are going. So you have the, the population in the U S is shifting, right? And you have a, a great numbers of people who are, you know, don't have the access to the same resources that Becky, that rest of the America.

Speaker 3 42:10 I kind of look at it as, it's like we're, we're fractionalizing entire sections of our society when, so for example, we've talked about the um, the new rule here in California about, um, independent contractors. So now what, when, when we have changes like that, what it does in my view is that it breaks down industries into smaller and smaller fractions. So now we're going to have more and more it just simply independent people who are micro businesses because we couldn't run a business utilizing independent contractors instead of employees. So now we're just going to be one man show and, and we keep making rules that by virtue of the new system, you're either within a big corporation or you're going to be a micro business. We, we keep like breaking the glass and the glass pieces are getting smaller and smaller and smaller. And I thought this really lent to that

Speaker 0 43:16 <inaudible> so there is this um, gentlemen, uh, might have a Ontario, California, Oscar Garcia who's seen this need and trying to use, um, business as a way to figure out a way how to fix it. And um, and as the Hispanic market, so I knew the numbers were high by the other word. This high according to, um, research, the Hispanic market comprises nearly 60 million people in the U S that's a huge number. Um, huge six 60 million, um, and more. And so in Latin America there are 600 million. I know that's the kind of the, the round number. Um, so you got this huge population that are Spanish speakers that have been to some degree neglected by the banking system, right? For whatever reason, right, because social economic status and they don't really understand the way the banking, like I lived in the U S for 30 years. I would not imagine being able to use a different bank assistant than the U S I love it. But if you are, haven't been trained by it, if you grown up with it, it's hard to understand in there. There's all this high bar. Um, so here's this statistic as a whole, 30% of the global population, it's unbanked, no bank, they have no bank account, no checking account, no savings account. Um,

Speaker 3 44:50 so that's amazing. But you know, it's why we see payday loans and check cashing, check, check for cash, does it places around in Walmart and you can go to Walmart and pay your bills at Walmart.

Speaker 0 45:02 So some people are understanding that there's an underserved, um, underserved market, right? Like, uh, there's not been a market that has been disenfranchised, neglected, and somebody's trying to take care of them. Right? Right. What's wrong with that? Nothing. So, so what does that mean? So the X great opportunity for this micro credit loans, whic --

-- h is interesting, right? Um, as a way to stimulate this 60 million people to be able to have an alternative to traditional banks.

Speaker 3 45:34 Well, I thought what I, when I read this article, I was really, it struck me when I read the sentence that people are credit worthy at different levels. And I thought as a business owner, myself and somebody who's been in business, um, independently for, for 30 years, now, there are different levels of credit worthiness. But first, traditionally it's been in or out. You're either can get credit or you, you can't. And if you don't answer the question right on the application, you're not going to get it. And you've talked about the ratios many times on our program that if the ratios are not correct and all of work that you do for larger companies to get them bankable, to get to get them alone, to get somebody to look at it when you're not bankable. So what ha you just, you're out. You're absolutely out.

Speaker 3 46:23 And he's working on viewing it. Not so much as just a simply an inner out, but viewing people as being credit worthy on different levels. So the alternative to people who can't get loans is they go to these high interest, um, you know, virtually virtually scam situations where, you know, they borrow \$200 and they can't pay it the next week. So they have to pay another \$50 to continue to borrow the \$250. And they keep that, keep coming back each week. And pretty soon they've spent, you know, \$400 and \$50 increments to continue to borrow the first \$200 that they borrowed because Grazie, you know, so they get caught up and a lot of times they get caught up in that because they are an educated or they don't understand the system. And so having somebody come out to address this and take it from just an either or scenario and provide a middle where they can be banked, but maybe at different levels.

Speaker 0 47:24 So what do you think about this? Do you think this is good for economy, bad for the economy?

Speaker 3 47:30 I think it's fantastic for the economy. Anytime we can open up more avenues and give people more options and give them particularly, um, the Latino community. Um, I have have worked in the foreclosure, the wrongful foreclosure market for a number of years and have seen what that did to the Hispanic community and really, um, how a lot of, um, myth myths were perpetrated on the Hispanic community on how to prevent foreclosure. Um, we, for a period of time, we would see, um, people going into the Hispanic community and identifying people who were about to be foreclosed. And they would tell them if we just put, you know, five or 10 other names on this, on this title, we'll do grant deeds and will issue a whole bunch of grant deeds, then it will stop the foreclosure because all of these, you know, it'll just muddy the water. And in reality, that's not even near the case. The law doesn't care how many names are on the title, but what it did create a problem with is when there was surplus that we're supposed to go back to the borrower, the original owner. There was so many people on title. All of those people were entitled to the survey.

Speaker 0 48:37 Well, the way I see it, everybody wins. So you have somebody, you know, back to the entrepreneurial spirit, right? You see an opportunity, you're going to go try to capitalize on it. You see this, you know, if you are an immigrant, in this case, a Hispanic immigrant and you are granted, you are of legal status and you're trying to do everything right and you see an opportunity like I did and you try to take advantage of it, but you're not bankable. You're going to have to find all that resources. But say you were able to find a source like this that allows you to give you the financing that you don't have. You take it, take advantage of the opportunity. The opportunity becomes profitable. You hire employees, notwithstanding the fees that you're going to pay. You continue to grow your business. All of a sudden you're paying income tax while hiring people that are taking care of their families.

Speaker 0 49:26 Do you see the domino event? So yes, the lender wins because they have, uh, whatever the rate that they would believe me that th th th th the industry has been regulated now it is not the wild West that it used to be 20 years ago, but it's a highly regulated industry, uh, which is, it's good. And so they win because they provide something that is unmet by --

-- the banks for whatever reason. And then you have people taking advantage of opportunities with them in the marketplace. So they hire people, they generate revenue, they pay income taxes, the banks are happy, and there is a need in the markets. Somebody is buying those services or products that there'll be in produce. So it's, it's a, it's a domino effect in a good way.

Speaker 3 50:09 And I think that traditionally banks have looked at it that they would rather do five large loans than 50 small loans. And I think that this is kind of, this is where he's going with it, is he's selling the idea of let's do a whole bunch of small loans and then the default rates, if a small loan, not so hurtful as when a big loan defaults. But the big criteria to get in the game is the big loans. I mean, that's always been the criteria. You had to be so bankable. You had new ratios, had to be this, that and a third. And you had to just, you know, have all of the, like you said, you needed to go get the loan when you didn't need the loan. Right.

Speaker 0 50:50 The traditional banking model is you look for it when you don't need it. Right? Cause when you needed us too late. Uh, but, but think about it this way, if, if you're realizing that the only way you can get financing is through this Avenue, like this company and these micro loans, do you think he would be wise? That you keep a good relationship with them and you will default to the payment? So if you, if you can't get any finances from then you're done.

Speaker 3 51:13 Well, you're also giving a business owner, right? You're giving a business owner to start off with some training wheels. Let's do a little \$3,000 loan, let's do a little \$5,000 loan and then pretty soon as the, the person on, okay, this is how we do it. We pay it back and you know, w we, it costs us X amount of dollars to get it and you practice with it a little bit. The next thing you know, you're ready to take on, you know, maybe that \$100,000 loan or that \$200,000 loan because you've set that track record with smaller increments to start with. I think it's a fantastic idea. I think, um, the Hispanic community here in California, but not just the Hispanic community, the whole migrant community is, is really likely to benefit from this.

Speaker 0 51:54 So there you have it. I mean, there's a lot of, um, I think it'll be interested to see what happens, um, in the artificial intelligence sector and what industries will be disrupted next. Uh, there are several industries that are ripe for disruption and, you know, let this be a word of caution for you as a business owner. Examine your industry and see if it can be disrupted because you may be disrupted. You know, who would've thought, you know, uh, that at the time blockbuster was going to go away, right? Um, eh, who would've thought, but it's gone now. So Netflix took it over. Um,

Speaker 3 52:31 you know, with the, the first, um, the first technology that we talked about, which was this, um, this AI technology that helps, um, monitor and understand your employee East staff. That is a really good example of, um, artificial technology or artificial intelligence coming in this technology and not necessarily replacing someone, but adding what would be a person. Like if you could employ a person to go through your, your company on a day to day basis and you know, can consistently and continually, um, interview your employees that you could have a bead on what was going on with the employees. Um, this is a really, really great example of that and I, I really am excited to see how this goes and, and to see more of this being, uh, available to smaller companies.

Speaker 0 53:24 Well, it's been a great show.

Speaker 2 53:26 Yep. Uh, Claudine, thank you so much. You, I left you in charge and this such a wonderful job. Thank you for the content. Thank you for our listeners. Uh, email us. You can email us. Good. Our website, our website is [www.greenlandhq.com](http://www.greenlandhq.com) and [www.uswwwsharon-law.com](http://www.uswwwsharon-law.com) and [www.sherron-law.com](http://www.sherron-law.com). Hopefully this was helpful to you. I wish you a great weekend with doc next week. Bye bye. <inaudible>.

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