## INSTITUTE OF CHURCH OFFICE MANAGEMENT

# INTERMEDIATE TWO

# STUDY PACK

## COURSES:

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|---|---|
| **Church Leadership & Administration** | **INT2/001** |
| **Church Finance & Accounting Procedure** | **INT2/002** |
| **Church Security & Safety Management** | **INT2/003** |
| **Information Management** | **INT2/004** |

## CHURCH LEADERSHIP & ADMINISTRATION INT2/001

**This course will examine practical leadership Principles assisting student in developing effective management & administrative skills and integrating them into their profession. Practical guidelines for oversight, organization and administration of the church and ministry will be discussed; including working with boards, committee, finances, establishing budget and the effective training of leaders**

**Course content**

- **General Administration**
- **Organzational Management**
- **Basic and Advance leadership skills**
- **Church Polity and Administration**
- **Effective Administrative behavior**
- **Effective managerial decision making**

**Church Leadership and Administration**

The administration is a systematic process of administering the function, jobs, policies, and overall management process of a business organization. The main scope and function of administration is the formation of plans, policies, and procedures, for state government, companies, organizations and NGO's to facilitate a good setting up of goals and objectives, enforcing rules and regulations, etc.

Leadership in an organization has various styles that will be enumerated as follows:

Autocratic

Democratic

Laissez-Faire

Transactional

Transformational

Autocratic Leadership Style

Autocratic leadership, also known as authoritarian leadership, is a leadership style where the boss has absolute control over decisions in the workplace. Team members are not asked for input; they are expected to comply with all decisions and orders made by their leader.

Autocratic leadership, like all the other leadership styles in management, has its benefits as well as its drawbacks. Benefits of autocratic leadership include saving time on the decision-making process, every member of the team knowing exactly what is expected of them and how they are to perform, and fewer strategy implementation errors because there are fewer people involved in the strategic planning process. Drawbacks include employees feeling like they are not personally valued, reduced motivation among team members and an increased risk of employee rebellion.

Democratic Leadership Style

In many ways, democratic leadership is the opposite of autocratic leadership. Democratic leadership, also sometimes known as participative leadership, is a leadership style characterized by the leader's choice to involve team members in the decision-making process. In all decisions, the leader has the final say, but they make decisions according to the input they receive from his team.

Benefits of democratic leadership include:

Employees feel motivated to participate in decision-making

Employees feel like their input is valued

Leaders have a diverse set of perspectives to consider

Democratic leadership is not the perfect leadership style, though. Drawbacks include a time-consuming decision-making process, as well as the potential for poor choices if the employees do not have the experience necessary to provide well-informed input. A democratic leadership style can be a great choice for a smaller team or a team composed of similarly skilled members.

Laissez-Faire Leadership Style

Perhaps the easiest way to understand laissez-faire leadership is this: If democratic leadership is the moderate opposite of autocratic leadership, laissez-faire leadership is the extreme opposite of autocratic leadership. Laissez-faire leadership is, essentially, the lack of a clear leader role. While one individual may be the leader in title, the reality in this type of workplace dynamic is that everybody is an equal decision-maker and every piece of input from the team is considered equally.

Rather than gathering team members' input and then considering it when making a decision, a laissez-faire leader leaves the decision-making up to their team members. This can lead to feelings of importance among every member of the team, but it can also lead to confusion and bottlenecks in strategic processes.

A laissez-faire leadership style can be a very effective way to lead a team composed of highly skilled, highly specialized individuals. In this kind of environment, each team member can take the lead in situations that require their expertise and trust their colleagues to make effective choices when they are in the "driver's seat."

Transactional Leadership Style

A transactional leader's primary goals are order and structure in the workplace. Under a transactional leader, self-motivated employees tend to be most successful because the leader has created a structured, rigid environment where they use clear rewards and punishments to drive employee performance. For example, a transactional leader might require each member of the sales team to speak with five prospective customers each day, offering catered lunch on Friday for every team member who met this goal Monday through Thursday.

Benefits of transactional leadership include:

Clearly defined short- and long-term goals

Clearly defined rewards and consequences for meeting or not meeting those goals

A streamlined, efficient chain of command

Employee security in knowing there are no surprises regarding expectations and outcomes

Transactional leadership can also have drawbacks. These include:

Little room for flexibility or adaptability

Employees feel like followers, rather than innovators or leaders

Personal initiative is not rewarded or valued

Employees can feel stifled by their work environment

Transformational Leadership Style

Among all the recognized leadership styles in business, transformational leadership is perhaps the most focused on the leader's personality. With this type of leader, employees are guided by a clearly defined vision for success, which may be the leader's personal vision or the company's mission statement. This kind of leadership inspires innovation and generally creates a positive workplace culture.

Transformational leadership is characterized by:

The leader acting as a role model to employees

Close, consistent focus on the company vision

A high value on interpersonal relationships

Inspiration as a tool to motivate employees

Like the other leadership styles, there are benefits and drawbacks to transformational leadership. A transformational leader can inspire employees to try to be their best selves, create a workplace where mutual respect is highly valued and encourage employees to think critically about the values they hold. But this type of workplace can also become a cult of personality or create an environment where gaining the leader's approval becomes a priority for employees, diverting their focus from performing their jobs well or supporting each other.

**General Administration**

Administration refers to the process of running an organisation, office or business. This includes creating rules & regulations, making decisions, management of operations, creating organisation of staff/employees/people to direct activities towards achieving a common goal or objective.

Principles of Management

Division of Work

Authority and Responsibility

Discipline

Unity of Command

Unity of Direction

Subordination of Individual Interest

Remuneration

The Degree of Centralization

Scalar Chain

Order

Equity

Stability of Tenure of Personnel

Initiative

Esprit de Corps

1. Division of Work

In practice, employees are specialized in different areas and they have different skills. Different levels of expertise can be distinguished within the knowledge areas (from generalist to specialist).

Personal and professional developments support this. According to Henri Fayol specialization promotes efficiency of the workforce and increases productivity. In addition, the specialization of the workforce increases their accuracy and speed. This management principle of the 14 principles of management is applicable to both technical and managerial activities.

2. Authority and Responsibility

In order to get things done in an organization, management has the authority to give orders to the employees. Of course with this authority comes responsibility. According to Henri Fayol, the accompanying power or authority gives the management the right to give orders to the subordinates.

The responsibility can be traced back from performance and it is therefore necessary to make agreements about this. In other words, authority and responsibility go together and they are two sides of the same coin.

3. Discipline

This third principle of the 14 principles of management is about obedience. It is often a part of the core values of a mission statement and vision in the form of good conduct and respectful interactions. This management principle is essential and is seen as the oil to make the engine of an organization run smoothly.

4. Unity of Command

The management principle 'Unity of command' means that an individual employee should receive orders from one manager and that the employee is answerable to that manager.

If tasks and related responsibilities are given to the employee by more than one manager, this may lead to confusion which may lead to possible conflicts for employees. By using this principle, the responsibility for mistakes can be established more easily.

5. Unity of Direction

This management principle of the 14 principles of management is all about focus and unity. All employees deliver the same activities that can be linked to the same objectives. All activities must be carried out by one group that forms a team. These activities must be described in a plan of action.

The manager is ultimately responsible for this plan and he monitors the progress of the defined and planned activities. Focus areas are the efforts made by the employees and coordination.

6. Subordination of Individual Interest

There are always all kinds of interests in an organization. In order to have an organization function well, Henri Fayol indicated that personal interests are subordinate to the interests of the organization (ethics).

The primary focus is on the organizational objectives and not on those of the individual. This applies to all levels of the entire organization, including the managers.

7. Remuneration

Motivation and productivity are close to one another as far as the smooth running of an organization is concerned. This management principle of the 14 principles of management argues that the remuneration should be sufficient to keep employees motivated and productive.

There are two types of remuneration namely non-monetary (a compliment, more responsibilities, credits) and monetary (compensation, bonus or other financial compensation). Ultimately, it is about rewarding the efforts that have been made.

8. The Degree of Centralization

Management and authority for decision-making process must be properly balanced in an organization. This depends on the volume and size of an organization including its hierarchy.

Centralization implies the concentration of decision making authority at the top management (executive board). Sharing of authorities for the decision-making process with lower levels (middle and lower management), is referred to as decentralization by Henri Fayol. Henri Fayol indicated that an organization should strive for a good balance in this.

9. Scalar Chain

Hierarchy presents itself in any given organization. This varies from senior management (executive board) to the lowest levels in the organization. Henri Fayol 's "hierarchy" management principle states that there should be a clear line in the area of authority (from top to bottom and all managers at all levels).

This can be seen as a type of management structure. Each employee can contact a manager or a superior in an emergency situation without challenging the hierarchy. Especially, when it concerns reports about calamities to the immediate managers/superiors.

10. Order

According to this principle of the 14 principles of management, employees in an organization must have the right resources at their disposal so that they can function properly in an organization. In addition to social order (responsibility of the managers) the work environment must be safe, clean and tidy.

11. Equity

The management principle of equity often occurs in the core values of an organization. According to Henri Fayol, employees must be treated kindly and equally.

Employees must be in the right place in the organization to do things right. Managers should supervise and monitor this process and they should treat employees fairly and impartially.

12. Stability of Tenure of Personnel

This management principle of the 14 principles of management represents deployment and managing of personnel and this should be in balance with the service that is provided from the organization.

Management strives to minimize employee turnover and to have the right staff in the right place. Focus areas such as frequent change of position and sufficient development must be managed well.

13. Initiative

Henri Fayol argued that with this management principle employees should be allowed to express new ideas. This encourages interest and involvement and creates added value for the company.

Employee initiatives are a source of strength for the organization according to Henri Fayol. This encourages the employees to be involved and interested.

14. Esprit de Corps

The management principle 'esprit de corps' of the 14 principles of management stands for striving for the involvement and unity of the employees. Managers are responsible for the development of morale in the workplace; individually and in the area of communication.

Esprit de corps contributes to the development of the culture and creates an atmosphere of mutual trust and understanding.

Functions of Administration

These 'functions' of the administrator were described by 'Henri Fayol'as the '5 elements of administration'.

1. Planning: Planning is deciding in advances what to do, how to do it, when to do it and who should do it. It maps the path from where the organization is to, where it wants to be. The planning function involves establishing goals and arranging them in logical order. Administration engages in both short-range and long range planning.

2. Organizing: organizing involves identifying responsibilities to be performed, grouping responsibilities into departments or division and specifying organizational relationships. The purpose is to achieve coordinated efforts among all the elements in the organization. Organization must take into account delegation of authority and responsibility and span of control within supervisory units.

3. Staffing: staffing means filling job positions with the right at the right time. It involves determining staffing needs, writing job descriptions, recruiting and screening people to fill positions.

4. Directing: Directing in leading people in a manner that achieves the goals of the organization. This involves proper allocation of resources and providing an effective support. Directing requires exceptional interpersonal skills and the ability to motivate people. One of

the crucial issues in directing is to find the correct balance between emphasis on staff needs and emphasis on economic production.

5. Controlling: Controlling is the function that evaluates quality in all areas and detects potential or actual deviations from the organization plan. This ensures high quality performance and satisfactory results while maintaining an orderly and problem free environment controlling includes information management measurement of performance and institutions of correcting actions.

6. Budgeting: Exempted from the list above, incorporates most of the administrative functions, beginning with the implementation of a budget plan through the application of budget controls.

**Organizational Management**

Organizational management is a combination of many components of leadership within a company. The actual structure of the company is utilized to gather information to analyze it. This analysis is then used to develop strategies that are then implemented and executed via meetings, training and promotion. Every business utilizes organizational management in a different way contingent on the unique needs of the business. Organizational management goes well beyond a corporate structure; it requires leaders to have methods in place to resolve issues and develop solutions that help the business move closer to its desired goals and vision.

Once a plan is implemented, organizational management must monitor and adjust activities depending on results. If a company is not nimble to change based on feedback, it's organizational management is not complete. There must be a complete loop of feedback that sets the fluid strategies set from the top and delegated to the deepest channels of the company where performance results must let leadership know if strategies are succeeding. The goal of organizational management is to use the various levels of company leadership in the leadership hierarchy to set goals, monitor results and build a stronger company. Strategies might involve employee training, promotional strategies, operations efficiency or any other aspect of the company.

Importance of Organizational Management

1. Helps to Create a Clearer Picture of the Goals within Each Department.

Organization management helps managers to split roles within each department. And in doing so, each department will have a better understanding of their function and resources needed. Pictures of the size of the targeted goal for each department will also be more apparent.

2. Effective Implementation of Business Plan to Achieve Targeted Goals

Organization management doesn't stop at creating a roadmap regarding the goals of each department. It also helps managers to determine what should be done to achieve the targeted goals of each department and the company as a whole. Managers will also have the capacity to swiftly respond to issues that may undermine the external and internal expectations of the establishment.

3. Better Coordination in the Various Departments

A proper organization structure allows the managers or executives to manage the affairs of each department within the company. Employees would have a better understanding of their duties and responsibilities. They will also carry them out without waiting for the manager's instructions in most cases. Effective management makes information sharing and communication easier. And there will also be no need for conflict within each department and the organization at large.

4. Enables Employees to Deliver Assigned Projects Within Deadline

Effective organization management creates the right environment for employees to accomplish assigned tasks within the agreed time-frame. They will have access to the right materials or resources to work with or know who to approach to acquire them. Employees will also have no other choice but to follow due process in the discharge of their duties.

5. Creates a Positive and Peaceful Work Environment

No employee can thrive in a workplace where there is always conflict. Businesses may also experience negative growth in such circumstances. Effective organization management would help to set the guidelines and define the mutual relationship that binds individual elements within the organization which includes people, technology, processes, and strategy to create an enabling environment for every department to work together to accomplish the targeted goal.

Corporate Management Leadership Styles

There are various styles of leadership any business manager can utilize. Most business leaders have a dominant leadership style but may incorporate other styles as deemed necessary by presented situations. There are six commonly recognized leadership styles and top management should consider how these styles affect different departments. It may be that a company employs leaders of one primary style consistent with the CEO's vision or it may be that a company finds managers with styles more effective for specific departments.

The six common leadership styles are:

Directive

Visionary

Affiliative

Participative

Pacesetting

Coaching

Each of these styles has advantages and disadvantages. Some are more effective in some organization's departments than others.

A **directive leadership** style is the order-giver. This leader says what you should do, and expects it to be done without question. It is authoritarian and is considered in many modern business environments to be a little outdated. However, it has merit when needing to hold people accountable in areas such as compliance or safety issues.

The **visionary leadership** style has been emulated by organizational leaders seeking to create the magic that Steve Jobs created at Apple. A visionary leader inspires people from the highest levels of management to the lowest janitor, drawing them to work together for a common purpose.

An **affiliative leadership** style is relationship-driven. This leader spends time developing trust among employees, and is often in the trenches of a work day with his sleeves rolled up, along with his staff. The problem with this style is that the leader is less concerned with results and is more concerned with being liked and trusted. Positions requiring a lot of negotiations could benefit from this style of leadership.

The **participative leadership** style functions like a democracy; everyone has input into the process and goals. While this helps to engage the team in the overall goal, it could dilute a manager's authority. The team must be competent and self-aware enough to maintain focus on the company vision for this strategy to be effective.

A **pacesetting leadership** style is the true lead-by-example model. This model works well in new departments or departments that have inexperienced workers who might not have the belief that certain goals are attainable. The pacesetter is always at the front of every report, as the employee who has the greatest number of sales, the biggest production numbers or the most lucrative financial negotiations.

A **coaching leadership** style seeks to build up a team's skill level and confidence. Like a sports coach, this leader looks for team member's strengths and weaknesses, and works with them to set action plans to build on strengths and to improve weaknesses.

## Basic and Advance Leadership Skills

Leadership skills are skills you use when organizing other people to reach a shared goal. Whether you're in a management position or leading a project, leadership skills require you to motivate others to complete a series of tasks, often according to a schedule. Leadership is not just one skill but rather a combination of several different skills working together.

Some examples of skills that make a strong leader include:

Patience

Empathy

Active listening

Reliability

Dependability

Creativity

Positivity

Effective feedback

Timely communication

Team building

Flexibility

Risk-taking

Ability to teach and mentor

### Basic Leadership skills

Almost any positive soft skill might be considered a leadership skill. For example, active listening helps leaders bring projects to completion by hearing the ideas and concerns of the team. Empathy, for example, helps leaders understand how their team feels about their workload, environment and workplace relationships.

Here is a list of must-have leadership skills that may prove valuable to anyone applying for work or looking to advance in a career:

1. Decisiveness

Effective leaders are those who can make decisions quickly with the information they have. Effective decision-making comes with time and experience. As you become more familiar with your specific industry, you'll be able to make decisions faster, even when you don't have all of the necessary information. Decisiveness is seen as a valuable leadership skill because it can help move projects along faster and improve efficiency.

Effective decisiveness requires research, evaluation, problem-solving and goal-setting, often with a quick turnaround. Decision-makers should be able to pull from their own experience with similar tasks, evaluate what might work best, make the decision and be confident in taking the responsibility for the result. Key skills related to being a strong leader through decisiveness include:

Problem-solving

Initiative

Research

Evaluation

Expectation setting

2. Integrity

Integrity is often seen as just truthfulness or honesty but in many cases, it also means having and standing by a set of strong values. Integrity in the workplace often means being able to make ethical choices and helping the company maintain a positive image. All businesses seek to hire workers who have a strong sense of integrity.

Having integrity as a leader not only encourages the most truthful and fair outcome but also sets a positive example for your team. A leader with integrity also shows the following skills:

Diplomatic

Ethical

Reliability

Professionalism

Confidentiality

Honest

3. Relationship building (or team building)

Leadership requires the ability to build and maintain a strong and collaborative team of individuals working toward the same goal. Team building requires other leadership strengths, like effective communication skills and conflict resolution. Relationship building is potentially one of the most important skills in a leadership role as it makes the communication of tasks, responsibilities and goals more effective. Once you understand each other, you will benefit by being able to assess strengths, delegate tasks and complete your goals more seamlessly. A successful leader who is adept at relationship building will also have the following skills:

Collaboration

Management

Interpersonal

Social

Communication

Active listening

Teamwork

4. Problem-solving

Good leaders are skilled at problem-solving issues that arise on the job. Effective problem solving often requires staying calm and identifying a step-by-step solution. Problem-solving skills can help leaders make quick decisions, resolve obstacles with their team and external teams alike, and ensure projects are completed on time, according to the specifications. Leaders who are effective problem-solvers also have the following skills:

Critical thinking

Analytical skills

Research

Decisiveness

5. Dependability

Being a dependable leader means that people can trust and rely on you. A dependable person follows through on plans and keeps promises. The strong relationships built by a dependable leader create a resilient team that can work through difficulties that may arise. Being a dependable professional means meeting deadlines, being straightforward, coming through on obligations and when you can't meet a promise or a goal, communicating this early on and having a backup plan. Dependable leaders also have the following skills:

Realistic goal-setting

Integrity

Timeliness

Initiative

Detail-oriented

Loyal

Truthfulness

6. Ability to teach and mentor

One skill that differentiates leadership from many other competencies is the ability to teach and mentor. Effectively teaching colleagues or direct reports to grow in their careers helps organizations scale. Often, this skill requires that leaders think less about themselves and more about how to make their team as a whole successful. To be successful as a leader that can teach and mentor a team, you might hone the following related skills:

Motivation

Clarity

Able to recognize and reward

Understanding employee differences

Assessing

Helpfulness

Positive reinforcement

**Advance Leadership skills**

There are some leadership skills that can help you to advance your managerial career especially if you are a middle manager. Skills needed are:

Thinking and acting systemically

Resiliency

Communication

Influence

Learning agility

Self-awareness

1. Thinking and Acting Systemically

This requires seeing the big picture, broadening your perspective, seeing patterns in relationships and processes, and dealing with the uncertainties and trade-offs that are part of the complexities of organizations. Give up the need to constantly please. While trying to please everyone, you may find that you're doing a lot each day, but doubting your ability, impact, and success.

This requires self-control and clarity. You need to have understanding and empathy for others — but you can't let everybody's "stuff" allow you to lose focus.

2. Resiliency

Leadership resiliency is about handling stress, uncertainty, and setbacks well — learning to maintain equilibrium under pressure. In our leadership programs, we spend a lot of time helping participants find tools for building resiliency for themselves and for others in their organization.

3. Communication

Communication is a core leadership function, requiring the ability to think with clarity and to express ideas and information to a multitude of audiences. Effective communication is also about listening, asking questions, and aligning words and actions.

At work, we need to be skilled communicators in countless relationships — at the organizational level, and sometimes on a global scale. Today's leaders must also learn to handle the rapid flows of information within the organization and among customers, partners, and other stakeholders and influencers. Learn why communication is so important for leaders.

4. Influence

This means gaining cooperation to get things done. In today's flattened or matrixed organizations, position or expertise alone doesn't give you influence.

You may be met with resistance or compliance, but what you — and your business — need is commitment. It's important to develop a range of influencing styles to help you get different people with different perspectives on board.

5. Learning Agility

Seek opportunities to learn and learn quickly. To be good at anything requires some knowledge, skills, and technical know-how. But what separates the remarkable middle managers from the merely good ones is the ability to adjust, adapt, respond, and be resourceful in the face of change. So, always keep learning; it's how to enjoy a long career.

6. Self-Awareness

When you truly understand your own style, motivation, strengths, shortcomings, quirks, and preferences, you're better equipped to make day-to-day decisions, leverage your strengths and minimize your weaknesses, and navigate the big picture for yourself and for your organization.

If you're leading from the middle, you're in the right place to collaborate with other managers to generate new ideas and solve problems. Middle managers can gain great experience, be involved in interesting work, have significant organizational impact, and enjoy long careers.

**Church Polity and Administration**

Church government (or sometimes church polity) is that branch of ecclesiology (study of the church) that addresses the organizational structure and hierarchy of the church. There are basically three types of church government that have developed in the various Christian denominations: the episcopal, the presbyterian, and the congregational. Every church is either independent with no higher authority outside of that local church, or it is part of a larger group or denomination with leaders who exert control from outside the church.

- The word **episcopal** is from the Greek word episkopos, which is often translated in English as "bishop" or "overseer." This form of church government functions with a single leader, often called a bishop. The Roman Catholic Church may be the most well-known of the episcopal-type churches. The Pope is also the Bishop of Rome. Below him are other bishops who are in turn responsible for other bishops down to the parish priest. The Anglican Church, Episcopal Church, and Greek Orthodox Church all have this form of government. One priest or bishop answers to another, who answers to another, until "at the top" there is one bishop (often called the archbishop) who has final authority. Many other churches have an episcopalian form of government, even though they may not officially recognize it. Some independent churches have one pastor who has ultimate authority in all decisions of the church (sometimes this is called the "strong pastor" form of government). Some multi-site churches may have single pastor at each location but one "head pastor" who is the final authority over all of the sites. Some churches may claim to have presbyterian (elder) or congregational rule but, in reality, have a single bishop or strong pastor who has final authority.

- Another type of church polity is the **presbyterian** form. The word presbyterian is from the Greek word presbuteros, which is usually translated “elder.” In this form of government, authority rests not with a single individual but with the body of elders or presbyters. In denominational churches, the local board of elders answers to a higher board of elders, which is made up of select elders to represent each church. Ultimately, the final board of elders (sometimes called the general assembly) has authority on matters in that denomination. In independent or autonomous churches, final authority rests with the local board of elders. In some churches with elder rule, the elders are elected or ratified by the congregation. However, once the elders are ratified, the congregation does not have power to remove them or overturn their decisions.

- The third type of church polity is the **congregational** form. In congregational churches, the final authority rests with the congregation. This polity takes various forms. In some churches, there are almost no designated leaders (or, as some might say, except the Holy Spirit), and the congregation is involved in virtually every decision that has to be made—from the color of the carpet to the support of missionaries. In other churches, the congregation elects the primary office holders (pastor, elder, deacons) who will then make decisions, only consulting the congregation on major issues such as incurring debt to build a new building or calling a new pastor. However, in congregational churches, if a majority of the congregation objects to any of the decisions or believes that a leader should be removed from office, they have the authority to take action. Most churches with congregational rule are also independent, as they believe strongly that final authority resides with the local congregation. (For instance, Baptist churches may be part of a denomination—Southern, but the “denomination” has no authority over the decisions of those local churches. The strongest action that could be taken by the denomination is that the individual church would no longer be received in fellowship; likewise, any individual church can withdraw at any time. In this case, the denomination is more of a voluntary, cooperative fellowship.)

**Administrative Management**

Administrative Management is a term concerned with designing and managing the whole structure of organization. It involves monitoring the day to day activities of organization for ensuring uninterrupted continuity in today’s fast pace environment. Administrative management is an administrative theory that focuses on creating a formalized administrative structure, developing a proper hierarchy of authority, deciding their key functions and responsibilities, and proper division of labor within the organization. It is very key function for each organization that enables management of information via peoples. Administrative managers keep an eye on information flow within the organization so that all resources are efficiently utilized for better productivity.

Features of Administrative Management

Formalized Administrative Structure: Administration management involves designing a formalized administrative structure for smooth functioning of organization. Under this structure, there is a clear hierarchy of authority from top to bottom denoting their responsibilities and functions.

Division of Labor: It involves a proper division of labor across the various departments of organization. Workers are allocated task based on their skills and qualifications that enables in obtaining optimum efficiency.

Proper Information Flow: Administrative management ensures that there is a proper network of information flow for decision making within the company. It focuses on establishing such a communication channel where there is free flow of information in both directions among supervisors and workers.

Defines Roles and Responsibilities: The Theory of administrative management is concerned with clear description of roles and responsibilities of each people working within the organization. Every supervisor is delegated authority to influence activities relevant to his field and expertise.

Official Record: It involves maintaining a systematic record of each business activity of an organization. All accounts are duly maintained which records each expense and income of business on a regular basis for avoiding any discrepancies.

Function of Administrative Management

- Planning Business Activities: Administrative managers perform the task of making proper plans regarding various tasks to be performed within the organization. Every plan and policies are framed with a motive of attaining desired targets.
- Management of Project: Effective management of project is must for ensuring its completion as per the decided schedule. Administrative managers perform a task of supervising every activity related to project undertaken for ensuring desired outcome.
- Creating Budget: It develops an optimum budget for carrying out the activities of project undertaken. It is the duty of administrative managers to oversee every activity and ensure that all expenses go with the limits of pre-allocated budget.
- Hiring and Training Employees: Presence of right employees within the organization is must for deriving better results. Effective administrative management focuses on hiring

right candidates and providing them training as per the work requirements of organization.

- Monitoring Employee’s Performance: Administrative management keep an eye over the performance of peoples working within the organization. Supervising the activities of employees helps in finding out deficiencies and maintaining the required efficiency.
- Handling Account Payable/Receivables: It maintains proper accounts for recording all financial transactions of organization. Each and every transaction done with creditors and debtors are properly maintained for avoiding any errors and confusion.
- Focuses on Cost Reduction: Administrative management aims at achieving better efficiency in performing activities of company. It conducts several researches and analysis for attaining production technique that assist in overall cost minimization.

Application of Administrative Management

- Setting Goals- Administrative management theory is widely used for setting the targets of an organization. Identification of goals helps in deciding a clear plan of action for accomplishment of such goals. This management strategy performs an analysis of input received from within the organization for defining targets.
- Establishing Standards- It focuses on establishing a set of standards for providing value to stakeholders. These standards are enforced for ensuring that all products or services produced are of acceptable quality.
- Performance Management- This management strategy is used for reviewing the performance of organization from time to time. The theory of administrative management ensures all activities are going efficiently in the right direction for achievement of goals. Feedback from team members is encouraged and directions toward their roles is given for deriving the desired result.
- Budget Control and Cost Management- Administrative management strategy keeps an eye on all financial transactions taking place. It decides an appropriate budget for accomplishing the product undertaken and ensures that all activities within the limits of pre-allocated budget. It works towards minimizing the cost involved by focusing on adopting cost efficient techniques.
- Leadership Development- Effective administrative management strategy focuses on developing leadership qualities among the team members. It aims to promote leaders from within the organization that is helpful in raising the productivity.
- Team Building: This management theory aims to promote a sense of unity and harmony among team members working in an organization. It implements team building strategies for motivating peoples towards their roles. Team building also results in developing better relationships among team members and loyalty towards company.

**Administrative Strategies**

Administrative strategy is concerned with shaping an organization in the right path towards the achievement of its goal. Some of the administrative process strategies of the principals include: planning strategy, organizing strategy, staff personnel strategy, coordinating strategy and decision making strategy.

The 4 Steps To Effectively Implement Administrative Strategies

There are several stages in the strategy administrative process. While the outcome will look different from business to business, there are simple chronological steps which organisations can follow to put strategies into practice.

**Step 1**: Strategic intent - Successful execution of strategic management starts with strategic intent – that's defining the organisational objectives and using them as a benchmark to measure performance and progress. An organisation's vision and direction should be specific, actionable and measurable, rather than broad. This is the point where companies outline their future business focus – whether that's profitability, shareholder wealth, or market leadership.

**Step 2**: Strategy formulation - The next stage involves formulating the strategy and this requires a company health check through a SWOTanalysis. It's where companies forensically examine themselves, looking at the environment they operate in, both internally and externally. This strategic analysis focuses on company strengths, weaknesses, opportunities and threats. Through this process, an organisation is able to determine what it does better than its competition, what it needs to improve on, and what advantages their competitors have. This will then help them develop ideas on how to outcompete rivals and respond to changing market conditions. This is also the stage when companies determine where they are and where they want to be. Once an assessment is made, it's time to implement the strategy.

**Step 3**: Strategy implementation – An organisational blueprint is a good start to strategic management, but it must be put into action. To ensure a company's survival, growth and expansion, strategies must be put into practice. It's estimated that more than 60% of the strategiesare not successfully implemented. Success requires:

- Developing structures and systems,
- Allocating resources,
- Overseeing change management,
- Instigating risk management strategies,
- Developing decision-making processes,
- Developing project management capabilities,
- Strengthening competitive capabilities,
- Communicating strategy,

- Managing human resources by aligning individual roles with performance objectives; and
- Rewarding performance.
- Execution of strategic plans allows organisations to explore new opportunities and brings into line all aspects of a company – people, strategy and operations.

**Step 4**: Strategy evaluation – The final stage of strategic management is to analyse and assess the results achieved through the strategic process. By measuring the performance of an organisational strategy, companies can decide whether to stay on course or make adjustments to correct actions to adapt to changing market conditions. This is an ongoing process which gives organisations the opportunity to review performance metrics and put interventions in place if necessary. Evaluation of the strategic plan gives a snapshot of possible failures and whether a change in direction is required in the overall company vision. It is important for companies to periodically review their strategy and determine what is working and what isn't.

Benefits of implementing strong administrative strategies

Organizations now understand the important role effective administrative management can play in the successful operation of a business. Some key benefits of implementing strong administrative management strategies include:

Healthy financial situation

An effective administrative management strategy to ensure that the company's finances are managed efficiently so that expenses remain under control and within budget. There is no unnecessary wasting of money or resources, and the company's financial documents are in perfect order. If these areas are properly managed, a company's cash flow remains steady.

Maximum productivity

Good administrative management always uses the strength of the team. This includes identifying which team members will be more successful at performing a certain task. By capitalizing on the strength of each team member, there is less mismanaging of time, greater productivity, faster results and higher motivation levels within the team.

Facilitating achievement of goals

A good strategy always supports the primary goals of an organization. Administrative management is critical in creating efficient processes and their implementation. The purpose of every project, policy and action within a company should be to reach an established goal.

Maximum employee and customer satisfaction

Efficient management will lead to a proper distribution of work and increased motivation among employees. When employees are motivated, their performance will be better, which will lead to happy clients and increased customer satisfaction.

Data-based decisions

An effective administrative management strategy will never be based on a whim or assumption. it will be designed based on data related to the business processes. Any decisions that are made should be based on past and current information and future goals.

**Effective Managerial Decision Making**

Decision making is crucial for running a business enterprise which faces a large number of problems requiring decisions.

Which product to be produced, what price to be charged, what quantity of the product to be produced, what and how much advertisement expenditure to be made to promote the sales, how much investment expenditure to be incurred are some of the problems which require decisions to be made by managers. Effective and successful decisions result in profits, while unsuccessful ones cause losses. Therefore, corporate decision-making is the most critical process in any organization.

In a decision-making process, we choose one course of action from a few possible alternatives. In the process of decision-making, we may use many tools, techniques, and perceptions.

In addition, we may make our own private decisions or may prefer a collective decision.

Usually, decision-making is hard. Majority of corporate decisions involve some level of dissatisfaction or conflict with another party.

Some steps involved in managerial decision making are explained below:

1. Establishing the Objective:

The first step in the decision making is to establish the objective of the business enterprise. The important objective of a private business enterprise is to maximise profits. However, a business firm may have some other objectives such as maximisation of sales or growth of the firm.

But the objective of a public enterprise is normally not of maximisation of profits but to follow benefit-cost criterion. According to this criterion, a public enterprise should evaluate all social costs and benefits when making a decision whether to build an airport, a power plant, a steel plant, etc.

2. Defining the Problem:

The second step in decision making is one of defining or identifying the problem. Defining the nature of the problem is important because decision making is after all meant for solution of the problem. For instance, a cotton textile firm may find that its profits are declining.

It needs to be investigated what are the causes of the problem of decreasing profits. Whether it is the wrong pricing policy, bad labour-management relations or the use of outdated technology which is causing the problem of declining profits. Once the source or reason for falling profits has been found, the problem has been identified and defined.

3. Identifying Possible Alternative Solutions (i.e. Alternative Courses of Action):

Once the problem has been identified, the next step is to find out alternative solutions to the problem. This will require considering the variables that have an impact on the problem. In this way, relationship among the variables and with the problems has to be established.

In regard to this, various hypotheses can be developed which will become alternative courses for the solution of the problem. For example, in case of the problem mentioned above, if it is identified that the problem of declining profits is due to be use of technologically inefficient and outdated machinery in production.

4. Evaluating Alternative Courses of Action:

The next step in business decision making is to evaluate the alternative courses of action. This requires, the collection and analysis of the relevant data. Some data will be available within the various departments of the firm itself, the other may be obtained from the industry and government.

The data and information you obtained can be used to evaluate the outcome or results expected from each possible course of action. Methods such as regression analysis, differential calculus, linear programming, cost- benefit analysis are used to arrive at the optimal course. The optimum solution will be one that helps to achieve the established objective of the firm. The course of action which is optimum will be actually chosen. It may be further noted that for the choice of an optimal solution to the problem, a manager works under certain constraints.

The constraints may be legal such as laws regarding pollution and disposal of harmful wastes; they way be financial (i.e. limited financial resources); they may relate to the availability of physical infrastructure and raw materials, and they may be technological in nature which set limits to the possible output to be produced per unit of time. The crucial role of a business manager is to determine optimal course of action and he has to make a decision under these constraints.

5. Implementing the Decision:

After the alternative courses of action have been evaluated and optimal course of action selected, the final step is to implement the decision. The implementation of the decision requires constant monitoring so that expected results from the optimal course of action are obtained. Thus, if it is found that expected results are not forthcoming due to the wrong implementation of the decision, then corrective measures should be taken.

However, it should be noted that once a course of action is implemented to achieve the established objective, changes in it may become necessary from time to time in response in changes in conditions or firm's operating environment on the basis of which decisions were taken.

Types of Decisions

**Strategic Decisions and Routine Decisions**

As the name suggests, routine decisions are those that the manager makes in the daily functioning of the organization, i.e. they are routine.

Such decisions do not require a lot of evaluation, analysis or in-depth study. In fact, high-level managers usually delegate these decisions to their subordinates.

On the other hand, strategic decisions are the important decisions of the firm. These are usually taken by upper and middle-level management. They usually relate to the policies of the firm or the strategic plan for the future.

Hence such decisions require analysis and careful study. Because strategic decisions taken at this level will affect the routine decisions taken daily.

**Programmed Decisions and Non-Programmed Decisions**

Programmed decisions relate to those functions that are repetitive in nature. These decisions are dealt with by following a specific standard procedure. These decisions are usually taken by lower management.

For example, granting leave to employees, purchasing spare parts etc are programmed decisions where a specific procedure is followed.

Non-programmed decisions arise out of unstructured problems, i.e. these are not routine or daily occurrences. So there is no standard procedure or process to deal with such issues.

Usually, these decisions are important to the organization. Such decisions are left to upper management. For example, opening a new branch office will be a non-programmed decision.

**Policy Decisions and Operating Decisions**

Tactical decisions pertaining to the policy and planning of the firm are known as policy decisions. Such decisions are usually reserved for the firm's top management officials. They have a long term impact on the firm and require a great deal of analysis.

Operating decisions are the decisions necessary to put the policy decisions into action. These decisions help implement the plans and policies taken by the high-level managers.

Such decisions are usually taken by middle and lower management. Say the company announces a bonus issue. This is a policy decision. However, the calculation and implementation of such bonus issue is an operating decision.

**Organizational Decisions and Personal Decisions**

When an executive takes a decision in an official capacity, on behalf of the organization, this is an organizational decision. Such decisions can be delegated to subordinates.

However, if the executive takes a decision in a personal capacity, that does not relate to the organization in any way this is a personal decision. Obviously, these decisions cannot be delegated.

**Individual Decisions and Group Decisions**

When talking about types of decisions, let us see individual and group decisions. Any decision taken by an individual in an official capacity it is an individual decision. Organizations that are smaller and have an autocratic style of management rely on such decisions.

Group decisions are taken by a group or a collective of the firm's employees and management. For example, decisions taken by the board of directors are a group decision.

# CHURCH FINANCE & ACCOUNTING PROCEDURE INT2/002

## Course outline:

- Church financial management practices
- Receipts and payment
- Bank Transaction
- Statutory Deduction
- Budgeting
- Asset management
- Investment
- Financial statement
- *Retention of financial documents & records
- Auditing- files and supporting documents
- Account softwares

## Church Finance and Accounting Procedures

The difference between finance and accounting is that accounting focuses on the day-to-day flow of money in and out of a company or institution, whereas finance is a broader term for the management of assets and liabilities and the planning of future growth. If you want to exercise high-level control over a company's strategy, finance could be for you. If you want to take a detailed look at a company's books you're probably more interested in accounting. It's often said that accounting looks back to a company's past financial transactions, whereas finance looks forward to plan future acquisition of assets. Accounting is more about accurate reporting of what has already happened and compliance with laws and standards. Finance is about looking forward and growing a pot of money or mitigating losses. If you like thinking in terms of a longer time horizon you may be happier in finance than in accounting.

## General Accounting Procedures

The accounting procedure is defined as the process of standardized nature that performs a specific accounting function that are designed to incorporate better risk management policies so that these functions are completed in a more productive and efficient manner. The accounting department performs several functions such as perform billings for their customers, provide invoices to suppliers, perform bank reconciliation, and hence such tasks normally require comprehensive and streamlined procedures.

Characteristics of Accounting Procedure

1 – Collection of Financial Information

It begins with the collection of financial documents. The information collected may be logged and maintained through physical mode or electrical mode. The cash register tapes, incoming bills, receipts, records of salaries, travel receipts, and forms along with invoices are examples of financial documents.

2 – Account Reconciliation and Verification

Once logged into the system, the accountants verify the financial information with the available evidence. Account reconciliation and internal as well as external reporting are performed as per the established accounting procedures. These procedures should be designed and constructed in such a manner that it records valid, objective, and accurate information. The procedures should be consistent and comparable.

Types of General Accounting Procedures

Accounting Method

An important general accounting procedure is selecting which accounting method the company will use when recording financial transactions. Small or home-based businesses often use the cash-basis method of accounting. The cash-basis method records financial transactions only when cash changes hands. This accounting method is simple and provides a basic understanding of the company's financial information. The accrual-based accounting method records financial transactions as they occur, regardless of when cash changes hands. Larger organizations are required to use this procedure since it presents a clearer picture of a company’s financial transactions.

Accounts Payable

Accounts payable is the accounting procedure companies use to pay bills. While this procedure does not usually have any hard and fast rules, a few universal principles apply. Companies often match vendor invoices to internal purchase orders before issuing payments. Many companies use accounts payable schedules to cut checks and issue payments at specific times during the accounting period. A classic example is paying bills on the 10th and 25th of each month.

Accounts Receivable

Accounts receivable represents money owed to the business from customer account sales. Companies often separate money into individual financial accounts for tracking this information. Invoices are usually sent to customers of outstanding balances so this cash can be collected and reinvested into business operations. Accounts receivable is an important function since companies must have enough available cash on hand to pay for daily business expenses.

Reconciliations

Reconciliations can be in accounting procedure or to balance individual accounts for various reasons. Cash accounts are reconciled with the bank statements to ensure all money is accounted for in the business. Balance sheet reconciliations help companies ensure all information is accurately recorded for inventories, accounts receivable, investments and liabilities.

Accounting Period

Companies usually record financial information according to specific accounting periods. Most accounting periods coincide with calendar months. Separating information into specific accounting periods allows companies to follow trends and present accurate financial information to managers for business decisions. Accounting periods also help companies have a start and stop position when working with accounting information. Many companies prepare aggregate information based on quarterly or annual periods in addition to monthly accounting periods.

Steps of the Accounting Cycle Process

The accounting cycle is the cornerstone of many managed accounting systems. Here are the nine steps in the accounting cycle process:

- Identify all business transactions. Identifying every single one of your business's financial transactions (for example, the payment amount, the payee, and the reason for the payment) can ensure a smooth-running accounting process. From expense accounts to overall cash flow, having a laser-like focus on everything affecting your account balances can make your financial position intelligible to you.
- Record transactions. Recording transactions is an important step. Record transactions in chronological order as the transactions affect individual account balances—in alignment with the principles of accrual accounting. You can notate the affected accounts in a general record or use multiple discrete records for each account.
- Resolve anomalies. Record each transaction as both a credit and a debit in relevant accounts—called double-entry accounting. These T-accounts—so-called for the T shape created when you divide debits and credits under a specific heading—can make things easier when it comes time to finalize the closing entries of the accounting cycle.
- Post to a general ledger. Post all your financial information to an all-encompassing ledger account, including the total debit and credit balances for your business. This ledger keeps all your financial records in one place for easy reference. If you use accounting software, most programs will do this for you automatically. But business owners and their CPAs and bookkeepers can still fill out an accounting worksheet with pen and paper if they want to do so.
- Calculate your unadjusted trial balance. Your unadjusted trial balance is whatever output your general ledger gives you after you've input all the relevant information from the accounting process so far. This initial calculation—even if it's imbalanced—is essential in determining how to get everything straightened out by the end of the financial accounting period.
- Resolve miscalculations. Review the ledger and journal entries line by line to see where any error or errors may have occurred. Adjusting journal entries where needed is necessary to generate an adjusted trial balance overall.
- Consider extenuating circumstances. This final balance should take into account tax deductions like depreciation, deferrals (money that doesn't impinge on this specific accounting period because it was taken care of in the past), and anything that you will deal with in the next accounting period as opposed to this current one.
- Create a financial statement. As you finish adjusting entries and you reach the end of the accounting period, prepare a financial statement that includes your adjusted trial

balance alongside all relevant individual income statements, balance sheets, and cash flow statements. This provides external entities—like banks and regulators—as well as your own internal financial review team with the most accurate picture possible of your business' overall financial status.

- Close the books. Now that you've arrived at your post-closing trial balance, it's time to take all the information from your temporary accounts—the ones affecting just this accounting period—and transfer that information into your permanent records—the ones reflecting your business's status as a whole. At this point, the accounting cycle ends only to begin again with the next accounting period.

The 8 Different Types of Accounting

The different types of accounting:

- Financial accounting
- Governmental accounting
- Public accounting
- Cost accounting
- Forensic accounting
- Management accounting
- Tax accounting
- Auditing

1. Financial accounting

The primary purpose of financial accounting is to track, record, and ultimately report on financial transactions by generating financial statements. This must be done using the standardized guidelines found in Generally Accepted Accounting Principles (GAAP) rules. These rules are set by the Financial Accounting Standards Board (FASB) and are designed to promote consistency in the reporting process, so Company A will use the same reporting methodology as Company B.

Financial accounting always looks at past performance, and does not look ahead like management accounting.

Instead, financial accounting provides an accurate look at business performance over a specified period of time in the form of financial statements. The completed statements are provided to outside stakeholders such as investors and financial institutions.

There are two types of financial accounting: cash and accrual accounting. Both methods use double-entry accounting to accurately record financial transactions. While very small businesses frequently use cash accounting, all larger businesses as well as publicly traded businesses are required to use accrual accounting.

2. Management accounting

Management accounting is a form of accounting used in businesses worldwide. Management accounting is designed to provide management with the information necessary to make high-level decisions for the business.

Management accounting information is shared exclusively with others in an organization. However when comparing managerial and financial accounting, the latter is designed to inform shareholders, investors, and financial institutes about the performance of a business for a specified period of time. In addition, management accounting is forward-looking, devising ways to operate more efficiently while providing management with the tools and resources to form sound policies and procedures.

Three common types of management accounting are used:

- Strategic management
- Performance management
- Risk management

Depending on the circumstances, all three types of management accounting may be used simultaneously, or management may choose to only use one or two methods, depending on the information they desire.

3. Governmental accounting

Unlike financial accounting, which is governed by GAAP rules, governmental accounting is governed by the Governmental Accounting Standards Board (GASB), which like GAAP, has developed tracking and reporting standards for all levels of the government. The main difference between financial accounting and governmental accounting is that governmental entities use separate funds to keep track of income and expenditures.

For instance, if a county undertakes a road improvement project, they would keep track of all income and expenses related to that project in a capital projects fund. This method of tracking is necessary in order to accurately report how each fund or program is performing and how public money is being spent.

In most cases, five governmental funds are used:

- General fund
- Permanent fund
- Special revenue fund
- Capital projects fund
- Debt services fund

Each fund must be tracked separately in order to provide a complete report on how money is spent, as well as account for any remaining funds.

4. Public accounting

Public accounting firms provide accounting services to a variety of clients, including service businesses, manufacturers, retailers, nonprofit organizations, governmental organizations, and individuals. Public accounting focuses on auditing, tax preparation, tax advisory, and consulting activity, including financial statement preparation and analysis. Public accounting firms can also consult on various business strategies, mergers, acquisitions, and internal accounting systems. In addition, public accounting firms may offer other financial services to their clients such as complete bookkeeping, accounting management, financial consulting, and payroll services. Public accounting firms may also advise clients on accounting software applications if necessary.

5. Cost accounting

Cost accounting is a specialty field that looks closely at the actual cost of doing business.

Used internally, cost accounting is typically used in a manufacturing environment, though it can be used for service businesses as well. Cost accounting looks at both fixed and variable costs that a business incurs such as materials, labor, overhead, maintenance, and production costs, ultimately providing management with important information such as break-even points. Most businesses will use a standard costing system, which assigns an average cost to product production, though other costing methods can be used.

Cost accounting is considered a form of management accounting, focusing on the future, and is primarily used as an aid in the decision-making process rather than as a way of reporting past performance.

6. Forensic accounting

Forensic accounting is a unique combination of accounting, auditing, and investigative techniques. Forensic accounting is used to investigate the financial activities of both individuals and businesses. It is frequently used by banks, police departments, attorneys, and businesses, examining financial transactions and later providing those findings in a completed report.

Forensic accountants are frequently used in fraud and embezzlement cases, using data collection and preparation techniques, data analysis, and reporting methods. Furthermore, forensic accountants may be called upon to help recreate or reconstruct financial data, and are frequently asked to testify in court to explain their findings.

7. Tax accounting

Unlike other forms of accounting, which is regulated by the FASB, tax accounting is regulated by the Internal Revenue Code (IRC), and is designed to ensure that all current tax rules and regulations are followed by businesses, nonprofit organizations, and individual taxpayers. Tax accountants work with these entities to ensure accuracy when calculating and reporting tax liabilities for their clients.

Tax accounting requires accountants to be familiar with the various tax laws that change from year to year. Additionally, tax accounting is used to accurately calculate tax due, lower tax liability, complete tax returns accurately, and file tax forms in a timely manner. This is necessary for individuals, businesses, government entities, and nonprofits.

In addition to preparing tax returns, tax accounting can also be used for tax planning, which helps both individuals and businesses develop a tax strategy in order to minimize taxes due.

8. Auditing

While accounting involves the tracking and reporting of all financial activity for a business, auditing is designed to provide an independent analysis of that financial activity to ensure that a business is recording transactions following the acceptable rules and standards that apply.

A variety of audits may be performed including the following:

- Compliance audit: A compliance audit examines the policies and procedures used by a company or a department within a company to determine if is currently in compliance with internal or regulatory standards.
- Investigative audit: Though a standard investigative audit may not reveal criminal activity, it can be the first step in a criminal case, should suspicious activity be found.
- Financial audit: A financial audit is the most frequent kind of audit performed and is designed to analyze financial statements for accuracy.
- Tax audit: A tax audit is typically conducted by the IRS in order to obtain additional information regarding the accuracy of a tax return.

Account management software is an important tool for businesses that manage sales processes across multiple divisions, locations and touch points. Most companies handle account management as part of their customer relationship management (CRM), but not all CRM software tools have robust account management functions.

Qualities of great account management software

To work as account management software, a CRM must handle multiple contacts, define accounts and territories and calculate the potential value of different accounts. A high-quality account management CRM needs to rank highly in all of the following domains:

Contact management

Many large deals have multiple decision makers. To work as account management software, a CRM needs to reliably associate contacts with accounts and deals. It needs to be able to manage multiple departments, divisions and companies within a single account, especially when more than one rep is involved on your side.

Market Segmentation

It's not enough to match the right account with the right territory. Account management software needs to organize your accounts based on sales rep territories and, ideally, match a new account to the right rep accordingly.

Deal management

Every company structures its sales pipeline differently. For a CRM to work as account management software, it has to let you customize your pipeline and adjust that structure based on your strategy.

Reporting and analytics

Sales teams depend on goals to drive them forward. To work well as account management software, a CRM needs to be able to compare your analytics to those goals and report on progress.

Usability

Sales move fast. An account management software needs to give you the information you need when you need it, so you can make decisions and pursue accounts without spending time tinkering with your CRM or calling for IT.

Value

Account management software is an investment, and you want to make sure you're getting a strong feature set for the price. You don't want it priced so low that it doesn't do what you need it to do, but you also don't want to overbuy.

Integration

A CRM isn't the only tool that a sales team needs. Most also have accounting software, file-sharing platforms and more. Ideally, an account managing software will integrate with most of what you already have running.

**Understand Financial Statement**

Financial statements are a collection of summary-level reports about an organization's financial results, financial position, and cash flows. They include the income statement, balance sheet, and statement of cash flows.

| | Historical Results | | | | | |
|---|---|---|---|---|---|---|
| **FINANCIAL STATEMENTS** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** |
| **Income Statement** | | | | | | |
| **Revenue** | **102,007** | **118,086** | **131,345** | **142,341** | **150,772** | **158,311** |
| Cost of Goods Sold (COGS) | 39,023 | 48,004 | 49,123 | 52,654 | 56,710 | 58,575 |
| **Gross Profit** | **62,984** | **70,082** | **82,222** | **89,687** | **94,062** | **99,736** |
| **Expenses** | | | | | | |
| Salaries and Benefits | 26,427 | 22,658 | 23,872 | 23,002 | 25,245 | 26,913 |
| Rent and Overhead | 10,963 | 10,125 | 10,087 | 11,020 | 11,412 | 10,000 |
| Depreciation & Amortization | 19,500 | 18,150 | 17,205 | 16,544 | 16,080 | 15,008 |
| Interest | 2,500 | 2,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| **Total Expenses** | **59,390** | **53,433** | **52,664** | **52,066** | **54,237** | **53,421** |
| **Earnings Before Tax** | **3,594** | **16,649** | **29,558** | **37,622** | **39,825** | **46,314** |
| Taxes | 1,120 | 4,858 | 8,483 | 10,908 | 11,598 | 12,968 |
| **Net Earnings** | **2,474** | **11,791** | **21,075** | **26,713** | **28,227** | **33,346** |
| **Balance Sheet** | | | | | | |
| **Assets** | | | | | | |
| Cash | 167,971 | 181,210 | 183,715 | 211,069 | 239,550 | 272,530 |
| Accounts Receivable | 5,100 | 5,904 | 6,567 | 7,117 | 7,539 | 7,807 |
| Inventory | 7,805 | 9,601 | 9,825 | 10,531 | 11,342 | 11,715 |
| Property & Equipment | 45,500 | 42,350 | 40,145 | 38,602 | 37,521 | 37,513 |
| **Total Assets** | **226,376** | **239,065** | **240,252** | **267,319** | **295,951** | **329,564** |
| **Liabilities** | | | | | | |
| Accounts Payable | 3,902 | 4,800 | 4,912 | 5,265 | 5,671 | 5,938 |
| Debt | 50,000 | 50,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| **Total Liabilities** | **53,902** | **54,800** | **34,912** | **35,265** | **35,671** | **35,938** |
| **Shareholder's Equity** | | | | | | |
| Equity Capital | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 | 170,000 |
| Retained Earnings | 2,474 | 14,265 | 35,340 | 62,053 | 90,280 | 123,627 |
| **Shareholder's Equity** | **172,474** | **184,265** | **205,340** | **232,053** | **260,280** | **293,627** |
| **Total Liabilities & Shareholder'** | **226,376** | **239,065** | **240,252** | **267,319** | **295,951** | **329,564** |
| **Cash Flow Statement** | | | | | | |
| **Operating Cash Flow** | | | | | | |
| Net Earnings | 2,474 | 11,791 | 21,075 | 26,713 | 28,227 | 33,346 |
| Plus: Depreciation & Amortization | 19,500 | 18,150 | 17,205 | 16,544 | 16,080 | 15,008 |
| Less: Changes in Working Capital | 9,003 | 1,702 | 775 | 903 | 827 | 375 |
| **Cash from Operations** | **12,971** | **28,239** | **37,505** | **42,354** | **43,480** | **47,980** |
| **Investing Cash Flow** | | | | | | |
| Investments in Property & Equipment | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| **Cash from Investing** | **15,000** | **15,000** | **15,000** | **15,000** | **15,000** | **15,000** |
| **Financing Cash Flow** | | | | | | |
| Issuance (repayment) of debt | - | - | (20,000) | - | - | - |
| Issuance (repayment) of equity | 170,000 | - | - | - | - | - |
| **Cash from Financing** | **170,000** | **-** | **(20,000)** | **-** | **-** | **-** |
| Net Increase (decrease) in Cash | 167,971 | 13,239 | 2,505 | 27,354 | 28,480 | 32,980 |
| Opening Cash Balance | - | 167,971 | 181,210 | 183,715 | 211,069 | 239,550 |
| **Closing Cash Balance** | **167,971** | **181,210** | **183,715** | **211,069** | **239,550** | **272,530** |

Advantages of Financial Statements

Financial Statements are useful for the following reasons:

- To determine the ability of a business to generate cash, and the sources and uses of that cash.
- To determine whether a business has the capability to pay back its debts.
- To track financial results on a trend line to spot any looming profitability issues.
- To derive financial ratios from the statements that can indicate the condition of the business.

- To investigate the details of certain business transactions, as outlined in the disclosures that accompany the statements.
- To use as the basis for an annual report, which is distributed to a company’s investors and the investment community.

Disadvantages of Financial Statements

There are few downsides to issuing financial statements. A possible concern is that they can be fraudulently manipulated, leading investors to believe that the issuing entity has produced better results than was really the case. Such manipulation can also lead a lender to issue debt to a business that cannot realistically repay it.

The Balance Sheet

One of the financial statements is the balance sheet. It shows an entity's assets, liabilities, and stockholders' equity as of the report date. In this report, the total of all assets must match the combined total of all liabilities and equity. The asset information on the balance sheet is subdivided into current and long-term assets. Similarly, the liability information is subdivided into current and long-term liabilities. This stratification is useful for determining the liquidity of a business. Ideally, the total of all current liabilities should exceed the total of all current liabilities, which implies that a business has sufficient assets to pay off its current obligations. The balance sheet is also used to compare debt levels to the amount of equity invested in the business, to see if its leverage level is appropriate.

Key features:

- Shows the financial position of a business
- Expressed as a “snapshot” or financial picture of the company at a specified point in time (i.e., as of December 31, 2017)
- Has three sections: assets, liabilities, and shareholders equity
- Assets = Liabilities + Shareholders Equity

The Income Statement

Another financial statement is the income statement. It shows the results of an entity's operations and financial activities for the reporting period. It usually contains the results for either the past month or the past year, and may include several periods for comparison purposes. Its general structure is to begin with all revenues generated, from which the cost of goods sold is subtracted, and then all selling, general, and administrative expenses. The result is either a profit or loss, which is net of income taxes.

Key features:

- Shows the revenues and expenses of a business
- Expressed over a period of time (i.e., 1 year, 1 quarter, Year-to-Date, etc.)
- Uses accounting principles such as matching and accruals to represent figures (not presented on a cash basis)
- Used to assess profitability

The Statement of Cash Flows

The final financial statement is the statement of cash flows. It shows changes in an entity's cash flows during the reporting period. These cash flows are divided into cash flows from operating activities, investing activities, and financing activities. The bulk of all cash flows are generally listed in the operating activities section, which state the cash inflows and outflows related to the basic operations of the business, such as from changes in receivables, inventory, and payables balances. The investing activities section contains cash flows from the purchase or sale of investment instruments, assets, or other businesses. The financing activities section contains cash flows related to the acquisition or paydown of debt, dividend issuances, stock sales, and so forth.

Key features:

- Shows the increases and decreases in cash
- Expressed over a period of time, an accounting period (i.e., 1 year, 1 quarter, Year-to-Date, etc.)
- Undoes all accounting principles to show pure cash movements
- Has three sections: cash from operations, cash used in investing, and cash from financing
- Shows the net change in the cash balance from start to end of the period

How are These 3 Core Statements Used in Financial Modeling?

As explained earlier, each of the three financial statements has an interplay of information. Financial models use the trends in the relationship of information within these statements, as well as the trend between periods in historical data to forecast future performance.

The preparation and presentation of this information can become quite complicated. In general, however, the following steps are followed to create a financial model.

- Line items for each of the core statements are set up. It provides the overall format and skeleton that the financial model will follow

- Historical numbers are placed in each of the line items
- At this point, the creator of the model will often check to make sure that each of the core statements reconciles with data in the other. For example, the ending balance of cash calculated in the cash flow statement must equal the cash account in the balance sheet
- An assumptions section is prepared within the sheet to analyze the trend in each line item of the core statements between periods
- Assumptions from existing historical data are then used to create forecasted assumptions for the same line items
- The forecasted section of each core statement will use the forecasted assumptions to populate values for each line item. Since the analyst or user has analyzed past trends in creating the forecasted assumptions, the populated values should follow historical trends
- Supporting schedules are used to calculate more complex line items. For example, the debt schedule is used to calculate interest expense and the balance of debt items. The depreciation and amortization schedule is used to calculate depreciation expense and the balance of long-term fixed assets. These values will flow into the three main statements

Objectives of Financial Statements

1. True & Fair view of financial position

Balance sheet shows the financial position of the business i.e. it enlists the assets and liabilities. The difference between those represents the net worth (i.e. book value of the business). Net worth includes the capital infused by the owners plus the profits earned till date.

- Decreasing in the net worth is bad indicator of growth. This gives the management various hints to improvise the financial position.
- Financial position is presented for current year and previous year. The increase is assets represents growth of the earning capacity and decrease in liabilities represents the repaying capacity of the entity.
- Thus, the utmost objective of true and fairness is very essential here.

2. True & fair view of financial performance

- Income statement shows the financial performance of the entity i.e. its revenue and its expenses. The difference between those represents the profit or loss earned during the period.
- Decrease in revenue has direct impact in decrease in profits. Increase in expense have reverse impact of decrease in profits.

- If the accounting standards are not followed appropriately, it shows that management can play with revenue & expenses figures.
- Thus, the true and fairness is essential objective in preparing the income statement.

3. To provide information about resources

- Another objective behind financial statements is to provide information about the resources available with business (i.e. production capacity, labour hours, cash reserves, inventory, WIP percentage, delivery mechanism, etc.) and its usage parameters. It also gives information about changes in the resources between two periods.
- This information helps in better understanding of the business as changes in the utilisation and acquisition of the resources helps the stakeholders to take financial decisions.

4. To provide Information about the earning potential

- Financial statements should also hint about earning potential of the business. This information is for the top management level of the organisation.
- With the economic assets and liabilities, the management can decide on the expansion levels.
- The three components of financial statements in together should provide information about the earning capacity of the entity.
- Earning potential is also linked with the utilisation of available resources.

5. To form basis for decisions of the stakeholders

- Stakeholders means the owners, directors, customers, suppliers, employees, workman, government, finance providers and the public at large.
- Employees needs to take decision whether to stay employed or not. Customer needs to take decision whether to give more orders. Suppliers needs to think about whether to supply or not. Finance providers also have to take decision whether it is feasible to give loans to the entity. Public at large needs to think whether to invest in the entity. Directors have to decide on the dividend pay-outs, raising finance, employing more staff, acquisition of resources and many other things to keep the business running.
- All such decisions are based primarily on the financial statements.

6. To report on the effectiveness and efficiency of the management

- Owners have no time to attend the daily operations of the business and thus, they appoint the management to look forward for the entity. The strong financials are the picture of the effectiveness and efficiency with which the decisions are taken by the management.

- Effectiveness means whether the purpose is served or not. So, owners can think whether the decision made by them in appointing the management is appropriate or whether it needs any change. It also shows whether the internal policies are strong.
- Efficiency means whether the target is achieved in reasonable time. Owners can think upon their decision by observing the gross profit ratio and the net profit ratios of recent years.

7. To increase the understandability of the end users.

- End users means the owners, for whom the financial statements are prepared. All the laws, regulations, accounting standards, accounting framework, etc. are here to ensure the understandability of the end users.
- Financial statements are summaries of the operations during the year and therefore it is required to provide various disclosures to help the owners understand the statements in a better manner.
- If the end users can arrive at correct decision with the help of financial statements, this objective is achieved.

8. Other Objectives

- To help settle disputes arising between various parties.
- To provide information about the credibility of the entity in the finance world.
- To decide on whether it is right time to replace the assets of the firm with new assets having increased capacities
- To decide whether to invest in other entities so to expand the empire.
- To help government with information about payment of taxes, etc.

**Financial Management Accounting**

Financial Management is a vital activity in any organization. It is the process of planning, organizing, controlling and monitoring financial resources with a view to achieve organizational goals and objectives. It is an ideal practice for controlling the financial activities of an organization such as procurement of funds, utilization of funds, accounting, payments, risk assessment and every other thing related to money.

In other terms, Financial Management is the application of general principles of management to the financial possessions of an enterprise. Proper management of an organization's finance provides quality fuel and regular service to ensure efficient functioning. If finances are not properly dealt with an organization will face barriers that may have severe repercussions on its growth and development.

Importance of Financial Management in Accounting

Solid financial management provides the foundation for three pillars of sound fiscal governance:

- **Strategizing**, or identifying what needs to happen financially for the company to achieve its short- and long-term goals. Leaders need insights into current performance for scenario planning, for example.
- **Decision-making,** or helping business leaders decide the best way to execute on plans by providing up-to-date financial reports and data on relevant KPIs.
- **Controlling**, or ensuring each department is contributing to the vision and operating within budget and in alignment with strategy.

With effective financial management, all employees know where the company is headed, and they have visibility into progress.

Objectives of Financial Management

Building on those pillars, financial managers help their companies in a variety of ways, including but not limited to:

- Maximizing profits by providing insights on, for example, rising costs of raw materials that might trigger an increase in the cost of goods sold.
- Tracking liquidity and cash flow to ensure the company has enough money on hand to meet its obligations.
- Ensuring compliance with state, federal and industry-specific regulations.
- Developing financial scenarios based on the business' current state and forecasts that assume a wide range of outcomes based on possible market conditions.
- Dealing effectively with investors and the boards of directors.

Ultimately, it's about applying effective management principles to the company's financial structure.

Scope of Financial Management

Financial management encompasses four major areas:

Planning

The financial manager projects how much money the company will need in order to maintain positive cash flow, allocate funds to grow or add new products or services and cope with unexpected events, and shares that information with business colleagues.

Planning may be broken down into categories including capital expenses, T&E and workforce and indirect and operational expenses.

Budgeting

The financial manager allocates the company's available funds to meet costs, such as mortgages or rents, salaries, raw materials, employee T&E and other obligations. Ideally there will be some left to put aside for emergencies and to fund new business opportunities.

Companies generally have a master budget and may have separate sub documents covering, for example, cash flow and operations; budgets may be static or flexible.

Managing and assessing risk

Line-of-business executives look to their financial managers to assess and provide compensating controls for a variety of risks, including:

- Market risk: Affects the business' investments as well as, for public companies, reporting and stock performance. May also reflect financial risk particular to the industry, such as a pandemic affecting restaurants or the shift of retail to a direct-to-consumer model.
- Credit risk: The effects of, for example, customers not paying their invoices on time and thus the business not having funds to meet obligations, which may adversely affect creditworthiness and valuation, which dictates ability to borrow at favorable rates.
- Liquidity risk: Finance teams must track current cash flow, estimate future cash needs and be prepared to free up working capital as needed.
- Operational risk: This is a catch-all category, and one new to some finance teams. It may include, for example, the risk of a cyber-attack and whether to purchase cybersecurity insurance, what disaster recovery and business continuity plans are in place and what crisis management practices are triggered if a senior executive is accused of fraud or misconduct.

Procedures

The financial manager sets procedures regarding how the finance team will process and distribute financial data, like invoices, payments and reports, with security and accuracy. These written procedures also outline who is responsible for making financial decisions at the company—and who signs off on those decisions. Companies don't need to start from scratch; there are policy and procedure templates available for a variety of organization types, such as this one for nonprofits.

Three Types of Financial Management?

The functions above can be grouped into three broader types of financial management:

**Capital budgeting**, which relates to identifying what needs to happen financially for the company to achieve its short- and long-term goals. Where should capital funds be expended to support growth?

**Capital structure,** determining how to pay for operations and/or growth. If interest rates are low, taking on debt might be the best answer. A company might also seek funding from a private equity firm, consider selling assets like real estate or, where applicable, selling equity.

**Working capital management**, as discussed above, is making sure there's enough cash on hand for day-to-day operations, like paying workers and purchasing raw materials for production.

**Controls Over Accounting and Financial Reporting Process**

Financial reporting is an integral process across almost all industries. Businesses and corporations depend on analysis and review of financial documents to make decisions and gain financial backing. Financial institutions also rely on financial documentation to monitor compliance, issue credit and assess profitability and performance. Consider several groups and professionals who use financial reports:

Investors, shareholders and creditors: Investors and shareholders have ownership of company stock and review financial reports to assess how companies generate profit. Creditors also use data from financial reports to understand how well companies pay off debts and invest credit to generate business growth.

Executive managers: Executive directors and teams use financial reporting systems to review performance and revise documentation. Financial reporting also supports executive decision-making, which companies use to establish goals and departmental objectives.

Regulatory institutions: Regulatory entities also gather and review business data from financial reports. Government entities, including the IRS and the and Securities Exchange Commission (SEC) monitor the compliance of financial reporting activities for tax and revenue documentation.

Industry consumers: Financial reporting is also important to educate consumers about company activities and create transparency in the market. Open communication about earnings, investment activities and charitable donations helps inform customers and can drive additional sales.

Unions and employees: Union organizations that represent employees monitor financial reporting to ensure members receive fair wages and treatment in the workplace. Financial statements are also beneficial to employees who can review reports to gain insight into the financial stability and long-term profitability of their companies

The Benefits Of Financial Reporting

We've pondered the question 'why is financial reporting important?', looked at real-world use cases, and shared what we consider to be the financial reporting meaning. To continue our journey, let's consider the key benefits of financially-based reporting and analytics.

Improved debt management: As you know, debt can cripple the progress of any company, regardless of sector. While there may be many different types of financial reporting concerning purpose or software, almost all solutions will help you track your current assets divided by the current liabilities on your balance sheet to help gauge your liquidity and manage your debts accordingly.

Trend identification: Regardless of what area of financial activity you're looking to track, this kind of reporting will help you identify trends, both past, and present, which will empower you to tackle any potential weaknesses while helping you make improvements that will benefit the overall health of your business.

Real-time tracking: By gaining access to centralized, real-time insights, you will be able to make accurate, informed decisions swiftly, thereby avoiding any potential roadblocks while maintaining your financial fluidity at all times.

Liabilities: Managing your liabilities is a critical part of your company's ongoing financial health. Business loans, credit lines, credit cards, and credit extended from vendors are all integral liabilities to manage. By using a financial report template, if you're planning to apply for a business expansion loan, you can explore financial statement data and determine if you need to reduce existing liabilities before making an official application.

Progress and compliance: As the information served up by financial reporting software is both accurate and robust, not only does access to this level of analytical reporting offer an opportunity to improve your financial efficiency over time, but it will also ensure you remain 100% compliant – which is essential if you want your business to remain active.

Cash flow: Big or small, an organization's cash flow is essential to its ongoing financial health. Working with a mix of detailed metrics and KPIs, it's possible to drill down into cash flow in relation to anticipated profit and liabilities, keeping your monetary movements secure and fluent in the process.

Communication & data access: Any modern financial analysis report worth its salt is accessible to and optimized for a multitude of devices. By gaining unlimited access to essential financial insights and data, you can respond to challenges swiftly while improving internal communication across the board. If everyone understands emerging trends and can share vital financial data, your organization will become more efficient, more innovative, and safeguarded against potential compliance issues or errors.

**Budgeting Performance Measurement and Relevant Cost Analysis**

A budget is a systematic method of allocating financial, physical and human resources to achieve strategic goals. Companies develop budgets in order to monitor progress toward their goals, help control spending, and predict cash flow and profit.

The most effective budgets are those that:

- Communicate and support strategic goals.
- Identify risks in relation to the company's long-term strategy.
- Provide information to help management make better decisions.
- Facilitate goal setting and measurement.
- Deliver consistent realistic figures companywide.
- Accommodate changing business conditions.

The goal of companies that apply best practices is to develop budgets that give managers a well-designed tool to manage effectively. To do this, companies use technology effectively; just as important, they develop procedures that work in their industry and with the culture of their company.

The central challenge to budget developers is that by trying to map the future for a company, they are attempting something that can never be done with perfect precision. With a greater number of companies competing in multiple, global markets, and with economic and technological change accelerating, companies need to develop budgets that strive for precision but also can accommodate business conditions that will certainly change.

Important benefits of improving the budgeting process include:

- Better companywide understanding of strategic goals
- Better support of initiatives supporting those goals
- The ability to respond more quickly and forcefully to competition
- Cost savings, through better practices in every unit that does budgeting

Applying performance measures to the budgeting process is also key to process improvement. Performance measures are the "vital signs" of an organization. Quantitative measures of performance provide management with insight into company performance and highlight opportunities for improvement. Such measures provide a company with the information needed to benchmark with another company, compare performance with industry standards and averages, and track any progress in performance improvement over time. By using performance measures, managers and workers understand the outcome of their efforts and how those efforts affect the rest of the organization.

To be meaningful, performance measures must be quantified: an act of measurement is required, one that can be performed reliably and consistently with a basis in fact, not opinion. "Good" and "fast" are not adequate performance measures. "Number of defects" and "time for order processing" are acceptable measures, if they are controllable — that is, if the people performing the work can affect the outcome. In addition to being quantifiable and controllable, to be truly effective, performance measures must also be:

- Aligned with company objectives
- Supportive of continuous improvement
- Reported consistently and promptly

Performance measures can be cost-based, quality-based or time-based. Cost-based measures cover the financial side of performance. Quality-based measures assess how well an organization's products or services meet customer needs. Time-based measures focus on how quickly the organization can respond to outside influences, from customer orders to changes in competition. Focusing attention simultaneously on cost, quality and time can optimize performance for an entire process and ultimately an entire organization.

Four Main Types of Budgets/Budgeting Methods

There are four common types of budgets that companies use: (1) incremental, (2) activity-based, (3) value proposition, and (4) zero-based.

1. Incremental budgeting

Incremental budgeting takes last year's actual figures and adds or subtracts a percentage to obtain the current year's budget. It is the most common method of budgeting because it is simple and easy to understand. Incremental budgeting is appropriate to use if the primary cost drivers do not change from year to year. However, there are some problems with using the method:

- It is likely to perpetuate inefficiencies. For example, if a manager knows that there is an opportunity to grow his budget by 10% every year, he will simply take that opportunity to attain a bigger budget, while not putting effort into seeking ways to cut costs or economize.
- It is likely to result in budgetary slack. For example, a manager might overstate the size of the budget that the team actually needs so it appears that the team is always under budget.
- It is also likely to ignore external drivers of activity and performance. For example, there is very high inflation in certain input costs. Incremental budgeting ignores any external factors and simply assumes the cost will grow by, for example, 10% this year.

2. Activity-based budgeting

Activity-based budgeting is a top-down budgeting approach that determines the amount of inputs required to support the targets or outputs set by the company. For example, a company sets an output target of $100 million in revenues. The company will need to first determine the activities that need to be undertaken to meet the sales target, and then find out the costs of carrying out these activities.

3. Value proposition budgeting

- In value proposition budgeting, the budgeter considers the following questions:
- Why is this amount included in the budget?
- Does the item create value for customers, staff, or other stakeholders?
- Does the value of the item outweigh its cost? If not, then is there another reason why the cost is justified?

Value proposition budgeting is really a mindset about making sure that everything that is included in the budget delivers value for the business. Value proposition budgeting aims to avoid unnecessary expenditures – although it is not as precisely aimed at that goal as our final budgeting option, zero-based budgeting.

4. Zero-based budgeting

As one of the most commonly used budgeting methods, zero-based budgeting starts with the assumption that all department budgets are zero and must be rebuilt from scratch. Managers must be able to justify every single expense. No expenditures are automatically "okayed". Zero-based budgeting is very tight, aiming to avoid any and all expenditures that are not considered absolutely essential to the company's successful (profitable) operation. This kind of bottom-up budgeting can be a highly effective way to "shake things up".

The zero-based approach is good to use when there is an urgent need for cost containment, for example, in a situation where a company is going through a financial restructuring or a major economic or market downturn that requires it to reduce the budget dramatically.

Zero-based budgeting is best suited for addressing discretionary costs rather than essential operating costs. However, it can be an extremely time-consuming approach, so many companies only use this approach occasionally.

Types of Costs

Fixed Costs (FC) The costs which don't vary with changing output. Fixed costs might include the cost of building a factory, insurance and legal bills. Even if your output changes or you don't produce anything, your fixed costs stay the same. In the above example, fixed costs are always N2million

Variable Costs (VC) Costs which depend on the output produced. For example, if you produce more cars, you have to use more raw materials such as metal. This is a variable cost.

Semi-Variable Cost. Labour might be a semi-variable cost. If you produce more cars, you need to employ more workers; this is a variable cost. However, even if you didn't produce any cars, you may still need some workers to look after an empty factory.

Total Costs (TC) = Fixed + Variable Costs

Marginal Costs – Marginal cost is the cost of producing an extra unit. If the total cost of 3 units is 1550, and the total cost of 4 units is 1900. The marginal cost of the 4th unit is 350.

Opportunity Cost – Opportunity cost is the next best alternative foregone. If you invest N1million in developing a cure for pancreatic cancer, the opportunity cost is that you can't use that money to invest in developing a cure for skin cancer.

Economic Cost. Economic cost includes both the actual direct costs (accounting costs) plus the opportunity cost. For example, if you take time off work to a training scheme. You may lose a weeks pay of N35000, plus also have to pay the direct cost of N20000. Thus the total economic cost = N55000.

Accounting Costs – this is the monetary outlay for producing a certain good. Accounting costs will include your variable and fixed costs you have to pay.

Sunk Costs. These are costs that have been incurred and cannot be recouped. If you left the industry, you could not reclaim sunk costs. For example, if you spend money on advertising to enter an industry, you can never claim these costs back. If you buy a machine, you might be able to sell if you leave the industry. See: Sunk cost fallacy

Avoidable Costs. Costs that can be avoided. If you stop producing cars, you don't have to pay for extra raw materials and electricity. Sometimes known as an escapable cost.

Explicit costs – these are costs that a firm directly pays for and can be seen on the accounting sheet. Explicit costs can be variable or fixed, just a clear amount.

Implicit costs – these are opportunity costs, which do not necessarily appear on its balance sheet but affect the firm. For example, if a firm used its assets, like a printing press to print leaflets for a charity, it means that it loses out on revenue from producing commercial leaflets.

# CHURCH SECURITY & SAFETY MANAGEMENT INT2/003

**The purpose of this course is to provide detail knowledge and measure to guide a place worship (Church) regarding reasonable measures of safety to confront the spectrum of treats and emergencies they may face during the hour of worship. This knowledge may apply before, during and after an incidence in order to reduce the impact on people, properly and loss of life.**

**Corse content**

- **Fundamental of Church Security**
- **Security Administration**
- **Personal & Environmental Hazards**
- **Asset Protection**
- **Terrorism and intelligence**
- **Risk Management**
- **Emergency Planning**
- **Criminal Justice Security**
- **Security Leadership**
- **Public Emergency Services**
- **Crisis Response**

# CHURCH SECURITY AND SAFETY MANAGEMENT

Jesus throughout His earthly ministry, demonstrated care and compassion for the needs of others. Not just for their spiritual and eternal needs, but for their physical needs as well. In continuing with His example, we must work to create houses of worship that take a holistic approach and provide emotional and spiritual care in an atmosphere that is also safety-minded. "Keep watch over yourselves and all the flock of which the Holy Spirit has made you overseers. Be shepherds of the church of God, which he bought with his own blood." Acts 20:28. Although many faith communities are experiencing an increase in criminal activity and exploitation, we don't have to operate in fear. Instead, we should work on incorporating some basic principles, so that we can provide our congregations with places where they can safely gather and grow in their faith.
Consider implementing some of the following best practices to help:

**Conduct a Risk Assessment & Evaluation of Your Ministry**
church risk assessment Regardless of the size of your ministry, you should conduct an annual risk assessment and evaluation. This process helps to provide a better understanding of the inherent risks associated with your day-to-day operations and can assist in identifying vulnerabilities that may be exploited by others.

When conducting a risk assessment, you should try to remain completely objective. Begin by inspecting and evaluating your ministry's overall safety protocols, written policies, and active security measures. Remember, an assessment is more than just a look from the inside out – it also involves looking from the outside in. Meaning, you should include an exterior inspection of your property and identify any natural or structural weaknesses.

To assist in remaining objective during your evaluation, you may want to consider having additional members of the local church board or staff complete a separate assessment and then submit their independent findings for review. This overlapping approach can help to ensure every-day items are not overlooked. Our free risk assessment form can help you get started.

**Utilize Monitoring Equipment & Alarm Systems**
Churches should maintain security systems that provide off-site monitoring and dispatch services for law enforcement and fire personnel. In addition, you should work to equip your facilities with video surveillance and have monitoring capabilities of your parking lots, entry access points, children's service areas, sanctuaries, and hallways and offices.

Having a surveillance system used to be a financial burden for many smaller churches. However, you can now acquire a quality 8 to 16 camera system for around $300-$800. Most of these offerings allow you to retain 7 days of recorded history and can be reviewed off-site or via a smartphone or web-based device. Such capabilities can greatly improve your overall safety and allow you to reduce the strain on security personnel.

**Secure & Label Your Electronics & Media Equipment**

Church media and electronic devices should always be secured, in order to prevent theft or unauthorized usage and access. This includes mounted projectors, television monitors, sound and lighting equipment, computers, office supplies, etc. These are just a few of the most common items targeted by thieves.

In addition to properly securing your devices and electronics, you should also maintain an updated inventory list, to assist in the event of a potential insurance claim or loss. Inventory sheets should record serial numbers, brands, makes, models, and estimated values of items. You should also consider marking or labeling items with the name of your ministry or placing identifying labels in an inconspicuous place. This simple step can assist in quicker identification and recovery.

**Organize & Operate a Church Security Ministry**

Every church should have selected members who are trained to assist the body in time of need. Whether it's responding to a basic medical emergency, assisting with a missing child, or dealing with an active threat, having people in place who are trained to assist and intervene on behalf of the ministry is essential.

When developing and forming your security or safety ministry program, it's important to stay centered and well-grounded. The goal is not to replace or eliminate the need for first-responders, but to have volunteers and staff members who are able to assist and fill in the gaps in their absence.

When operating a church security ministry, you should remember that spiritual readiness and maturity are important and you should carefully select individuals who are spiritually mature, self-controlled, and of sound judgment.

Many churches have members within their congregation who are actively serving or have prior law enforcement or military experience. Although these may be preferred qualifications, they should not be the only criteria used and you should consider implementing other qualified candidates who are able and willing to be trained.

Our Complete Church Security Kit is a great turn-key solution for ministries needing to organize, document, or train their staff to serve in this role and contains various forms, customizable policy manuals, response guides, and training presentations with accompanying instructor's guides. All of our material is created by skilled law enforcement personnel and uses concepts in threat detection, crime prevention, and critical incident response protocols. Review our Complete Security Kit.

**Properly Screen Your Staff & Volunteers**

church child safetyPsalms 127:3 tells us, "Children are a heritage from the Lord." As such, we should take every precaution to ensure minors attending our churches are safe and protected from those who seek to do them harm. As a standard practice, churches should require that all volunteers complete an application, sign for the receipt of your child-safety policies and procedures, and undergo a criminal background check before being allowed to serve.

Courts have overwhelmingly ruled that churches are liable to show due regard for the safety of minors and implement adequate screening measures for persons serving around children. Ministries failing to do so are subject to greater civil and criminal liability.
In addition to completing background checks, it is good practice to retain volunteer and employee applications on file for a minimum of 15 years or the statute of limitations for offenses involving minors within your state.

**Prepare the Body on WHAT TO DO in the Event of an Emergency**
church active shooterWhen people enter your church, they assume that you have put adequate measures in place to ensure their well-being and will rely heavily upon your staff for assistance and guidance during an emergency. Civil courts throughout the country have overwhelmingly ruled that this expectation is not only reasonable but that churches are in fact responsible to have some form of emergency preparedness.

Every church should have basic first aid supplies and fire safety equipment on hand and readily accessible to staff. It is also suggested that evacuation maps are posted inside your classrooms and areas where children may gather. In addition, you should routinely provide training to your staff to ensure they are familiar and prepared to assist in conducting evacuations and lock-downs.

Although active shooting incidents and physical confrontations inside the church are a rarity, your staff should still be educated and prepared to respond. Having a plan in place, no matter how basic, can greatly increase your safety and improves your survivability rate. Routine training and drills are commonplace within our public schools and the workplace and the church should be no exception.

**Establish Safety Protocols for Your Youth & Children's Ministries**
Children's and youth-based programs are the life-blood of every successful ministry. When done correctly they encourage and produce growth within the local body. However, without proper oversight and structure, they increase your risk and can harm your image and influence.

Children's programs are naturally prone to exploitation. For this reason, they require greater supervision and must have established rules for adult interactions with minors. In order to ensure your protocols are properly adhered to, volunteers should have sufficient oversight, peer-based systems of accountability, and trained on policies and procedures.

Having an established drop-off and sign-in area for your children's service areas is also important and can assist in restricting outside access to minors. In addition to developing structural boundaries, you should also have sign-in and check-out systems in place to track attendance and parent involvement. There are many web-based and software programs available to assist in this area. However, even something as simple as a sign-in sheet or sticker-based tracking system can work. You should also consider having parents complete a student information sheet, including personal emergency contact numbers, any known medical conditions, medications, allergies, and physical limitations of the minor.

Because children are more prone to accidents and injuries, those working with minors should have the ability to directly communicate with staff and be able to contact 911 in the event of an emergency. It is also best practice to have security team members monitor access points and conduct routine checks on workers.

**Institute Financial Safety Protocols**

The collection, counting, and securing of church offerings should never be done alone. In addition to the safety concerns, you should always use two members, at a minimum, to ensure there is adequate accountability. It is also good practice to utilize the oversight of one of your security ministry team members during the collection and securing of funds.

Any funds retained on site should be properly verified and then secured in a location that has adequate locking mechanisms and the ability to be monitored with alarmed entry points or surveillance. Desk drawers, money bags, or unmounted components should be avoided. Instead, consider using mounted safes or depository devices that can be installed in selected areas to ensure safe retention of funds until deposits can be made.

Use good judgment and develop adequate systems to ensure proper auditing and oversight. You should also ensure that you have sufficient safety practices in place when transporting funds for deposit and avoid developing set patterns that are easy to forecast.

**Fundamental of Church Security**

Church security has risen to the forefront of our minds in recent years. Many Christians and churches often ignore church security. Be sure your church's vision team addresses church security as you pursue vision clarity and a strategic operations plan. Church security needs more attention to ensure we create safe spaces for adults and children to worship, learn, and grow as disciples around the country (and world!).

One concern I have, however, is that many people might stay "concerned" without taking concrete action steps to address their church's security protocols (if any are in place). The last thing you want to do is ignore the security or safety gaps in your church…until it is too late.

At the same time, we don't want to become a nation of paranoid people. We need a healthy balance between paranoia and avoidance that is characterized by vigilance and trust. We must remain as vigilant as possible to safeguard the lives of those entrusted to our care and leadership.

In our world today, it is unwise and potentially negligent for a church to operate without a church security plan. Aside from the potential legal and financial ramifications, we owe it to everyone to ensure that we prioritize safety (especially the safety of children). As you make plans for the days ahead, make sure anyone you consider for church vision consulting not only presents a solid plan for vision clarity but also collaborates with you to ensure you have a robust church security plan.

As you consider these church security tips and resources, make sure that you don't allow yourself to think "we are okay" or "we have this covered." The reality is that we can never be completely sure that everything is completely covered. We can make sure we greatly reduce the security risks by being proactive. My prayer is that you will make a security and safety audit a regular part of your church leadership by addressing the areas below, in addition to other things unique to your specific context.

**Church Security Tips and Resources for Pastors and Church Boards**

The reality is that we can never be completely sure that everything is completely covered. We can make sure we greatly reduce the security risks by being proactive.

1) Create a church security plan.
2) Install church video surveillance (inside and outside).
3) Never allow an adult in the Children's Area without proper identification.
4) Make sure to have a plan for Sunday services, in the event of a shooter, fire or other incident.
5) Ask a local police officer to do a walk-through of your facilities and offer feedback.
6) Ensure emergency lights are installed and tested around the entire campus.
7) Train all your leaders on how to respond to emergency situations.
8) Define an official spokesperson for the church.
9) Create public and private wireless networks that use different routers.
10) Designate someone "official" to patrol the parking lot regularly.
11) Don't allow staff or volunteer leaders to work alone in the church building.
12) Test your security systems and routines at least annually.
13) Create a clear protocol for handling money. (Make sure people handle money in groups rather than alone.)
14) Get to know your local police, fire department, and paramedics.
15) Never assume everything is fine and doing well.

The list above provides some initial church security tips and resources for evaluating your church security systems. It is by no means exhaustive, but hopefully will give you some ideas to get started.

**Security Administration**

increasing at houses of worship worldwide due to threats such as active shooter attacks and acts of terrorism. So to mitigate these threats, there should be a church safety plan in place and security training for staff and volunteers to help reduce the risk of an attack.

Furthermore, implementing protection measures for churches such as a security team, armed security, and security procedures are all vital components that should be considered by church leaders. It does not require the same security measures as Fort Knox, but having adequate physical protection is essential to make better protect houses of worship. Church Safety and Security need security experts that can help stakeholders formulate the best security plan.

**How to make a church security plan?**

With today's threats against Houses of Worship, Churches must be prepared to ensure their congregant's safety. Safety and protection is an essential part of church security. Does your House of Worship have a security plan to mitigate threats? An emergency plan to execute a response if a hazard occurs? Do you have trained staff and volunteers to implement the security plan? These are questions you must ask yourself as a church leader. Our goal is to help you answer these questions to ensure a safe and secure place to worship.

**Steps to Make a Church Security Plan**

**Step 1: Determine the Purpose**

The first step of creating a security plan is to determine the purpose of the plan and the threats that may affect your House of Worship. This starts with a strategic planning session with stakeholders to discuss the types of threats and what countermeasures can help mitigate the risks. Additionally, knowing what vulnerabilities are currently present at the Church to assist in the security planning process.

**Step 2: Make Security Policies**

Security policies are the Church's security rules to ensure safety and security are followed by the staff and members to alleviate potential risks. Without policies and procedures, staff cannot be adequately trained to ensure the security of the Church. Security procedures are step by step directions for staff to follow should a threat or emergency occur.

**Step 3: Cooperate With Local Law Enforcement**

It would help if you designed a security plan that includes local law enforcement. Making liaison with first responders will help support the implementation of the security plan should an emergency occur. Having everyone on the same sheet of music will help better execute the security procedures and emergency plan. This is vital for staff working security armed in plain clothes to help identify friendlies that are part of the security team to law enforcement. Planning and training, together with law enforcement, will support the execution of the security plan.

**Step 4: Training the Church Leaders**

Involving the Church leaders in the plan and any training is vital to the security plan's success. If the leaders don't know the plan or how to execute the plan during an emergency, it will lead to failures in the security plan. The stakeholders are a critical part of the security planning process and must involve everyone in a top-down approach. Church leaders must have Buy-in of the security program and follow all the security protocols by leading by example if they wish to have their staff and members follow the Church's security rules.

**Step 5: Allot the Patrolling Staff**

Having staff that patrols the church sectors will help ensure everyone is following security rules. This starts on the outer perimeter (Entry Points, Parking Lot), the middle perimeter of the building (Building exterior doors and walkways), and the inner perimeter (interior doors and the aisles). Creating tripwires and having visual surveillance of the entire premises will make concentric rings of security and mitigate potential threats from occurring. The goal is to create a hard target, so threats seek targets elsewhere.

**Step 6: How to train a church security team**
Training is the key to ensure the security plan is followed correctly and executed. Church security teams can train through tabletop exercises and test the site's security plan through various attacks that could occur. Training will bring out any vulnerabilities in the plan and will help better prepare everyone should an emergency arise. This will allow stakeholders to go back to the drawing board to fix any issues during training to be revised and updated in the plan.

How do you secure a church?
Beginning a safety and security program at your House of Worship does not have to be complicated or expensive to secure a church. It is essential to do what you can to enhance security and to secure a church. Many churches do not know where to start or think that a substantial budget is necessary to establish a security team. There are lots of things churches can do today that are low cost and or free.

Is your management motivated to make security changes? It's possible to create lasting, meaningful changes. You can secure a church by assigning functions for an emergency, identify who will call 911, who will speak to authorities, and who will talk to the media. Assign backups for each task.

**What does a church security team do?**
Some may ask, What does a church security team do? Well, the goal of the security team should be designed to help safeguard assets. Moreover, this can be accomplished by identifying professionals within the membership, such as doctors, medics, existing or former police officers, and members with military or security backgrounds. Invest in walkie-talkies. Walkie-talkies eliminate spotty cell service and scrambling to find a list of internal phone numbers. Ushers, daycare employees, and workplace staff geared up with radios can relay communications rapidly throughout the building or campus.

**How can church security be improved?**
There are many ways church safety be improved that include designating a single entryway into the Church. Once your service starts, appoint an usher or group member to lock doors. Any unlocked doors ought to be actively monitored. All other entryways should be inaccessible from the beyond your Parrish. Ensure that the exit doors remain unlocked from the within. Also, church security can be improved by assigning a volunteer to keep track of any open doors and having volunteers providing surveillance in the parking lots. This security can be improved by equipping volunteers with radios. Assign security at the front of the churchgoers who can observe the crowd and conduct surveillance throughout the service. Draw attention to the doors, so in an emergency, it's easy to find all exits for evacuation. Schedule a leadership or staff conference to spur conversation with stakeholders.

Obtain crime reports of the area. This can be done by requestion crime reports for the police department of crimes that have occurred near the site. Invite police, the fire marshal, to your campus to recognize trouble spots. They'll help you better understand the potential dangers and provide solutions to create a more secure church environment.

**Personal and Environmental Hazard**
Hazard, within the context of workplace/church health and safety, is any source of potential damage, harm or adverse health effects on something or someone. They go on to say that a hazard can include the potential for harm or adverse effect such as to people as health effects, to organizations as property or equipment losses, or to the environment.

There are general occupational safety hazards such as slips, trips, and falls, however, as you'll read further, it is up to the employer to conduct regular hazards assessments to identify its own unique hazards and risks.

**Hazards and risks**
A hazard is any source of potential damage, harm, or adverse health effects on something or someone. The risk is the chance or probability that a person will be harmed or experience an adverse health effect if exposed to a hazard.

Risks are described as a probability or likelihood of developing a disease or getting injured, whereas hazard refers to the agent responsible.

**How do we categorize hazards?**
Regardless of where you work or which industry you are in, workplace hazards can be categorized into seven sections, making them easier to mitigate and to stay organized when tackling them.
No matter what hazards your team may be facing, they will fall into one of the categories below and we will show you how to identify and mitigate them as a result.

The 7 common workplace hazards are:
Safety hazards
Biological hazards
Physical hazards
Ergonomic hazards
Chemical hazards
Work organization hazards
Environmental hazards

**1. Safety hazards**
Safety hazards are number one on the list of 6 types of workplace hazards. These hazards play an effect on employees who work directly with machinery or on construction sites. Safety hazards are unsafe working conditions that can cause injury, illness, and death. Safety hazards are the most common workplace risks. They include:

Anything that can cause spills or trips such as cords running across the floor or ice
Anything that can cause falls such as working from heights, including ladders, scaffolds, roofs, or any elevated work area.

Unguarded and moving machinery parts that a worker can accidentally touch.

Electrical hazards like frayed cords, missing ground pins, and improper wiring Confined spaces.

**2. Biological hazards**

Definition of biological hazards, commonly known as biohazards, can be any biological substance that could cause harm to humans. Biological hazards exposure to harm or disease from working with animals, people, or infectious plant materials. Workplaces with these kinds of safety hazards include, but are not limited to, work in schools, daycare facilities, colleges and universities, hospitals, laboratories, emergency response, nursing homes, or various outdoor occupations.

Types of things you may be exposed to for biological hazards:
Blood and other body fluids
Fungi/mold
Bacteria and viruses
Plants
Insect bites
Animal and bird droppings
Biological hazards in the home

**3. Physical hazards**

Of all the hazards in your workplace, physical hazards might be the least obvious. Despite their name, physical hazards aren't always something that you can see or touch. Physical hazards affect workers in extreme weather conditions or harmful working environments. Workers who are exposed outside in the sun for a prolonged period of time can suffer physical hazards which can cause long-term effects to their health. Physical hazards can be any factors within the environment that can harm the body without necessarily touching it.

**Physical hazards include:**
Radiation: including ionizing and non-ionizing (EMF's, microwaves, radio waves, etc.) materials
High exposure to sunlight/ultraviolet rays
Gases under pressure
**Temperature extremes – hot and cold**
**Constant loud noise**

**4. Ergonomic hazards**

Ergonomic safety hazards occur when the type of work, body positions, and working conditions put a strain on your body. They are the hardest to spot since you don't always immediately notice the strain on your body or the harm that these hazards pose. Short-term exposure may result in "sore muscles" the next day or in the days following the strain, but extended exposure can result in serious long-term issues.

Ergonomic Hazards include:
Improperly adjusted workstations and chairs
Frequent lifting

Poor posture
Awkward movements, especially if they are repetitive
Having to use too much force, especially if you have to do it frequently
Excessive vibration

**5. Chemical hazards**

Chemical hazards are present when a worker is exposed to any chemical preparation in the workplace in any form (solid, liquid or gas). Some are safer than others, but to some workers who are more sensitive to chemicals, even common solutions can cause illness, skin irritation, or breathing problems.

Chemical hazards can be present in the following:
Liquids like cleaning products, paints, acids, solvents – particularly if hazardous products are in an unlabeled container
Vapors and fumes that come from welding or exposure to solvents
Gases like acetylene, propane, carbon monoxide, helium, h2s gas
Hazardous products and flammable materials like gasoline, solvents, and explosive chemicals
Pesticides

**6. Work organization hazards**

Safety hazards or stressors that cause stress (short-term effects) and strain (long-term effects). These are hazards associated with workplace issues such as workload, lack of control and/or respect, etc.
Examples include:
Workload demands
Workplace violence
High intensity and/or pace
Respect (or lack thereof)
Flexibility
Control or say about things
Social support or relations
Sexual harassment

**7. Environmental hazards**

Last but definitely least are environmental hazards which are constantly changing with increasingly unpredictable – and extreme – weather and climate. The bad news is that they are mostly out of our control, but the good news is weather challenges and hazards are somewhat predictable with the change in seasons and advances in meteorology.

Examples include:
Extreme temperatures (dangerous heat and cold)
Extreme precipitation (rain and snow)
Dangerous levels of noise
Dangerous levels of radiation
Pollution (air and chemical)
Unstable infrastructure
Biological hazards

Violent members of the public
Dangerous animals

**Asset Protection**
Asset protection refers to a concept of legal strategies that business entities and individuals use to protect their assets from civil money judgment. The asset protection technique ensures that businesses and individuals valuable assets are safe from the creditors claim. They use this strategy to bar creditors from accessing certain assets but without breaching the debtor-creditor law.

**How does Asset Protection Work?**
Individuals who own businesses, real estates, or any other type of wealth, will want to ensure that they legally safeguard them from those who may want to put a claim on them. Creditors and former spouses are examples of people who are likely to claim. If such individuals happen to win a lawsuit against you, then you are likely to lose either your entire property or part of it, depending on the courts ruling. To avoid such, property owners can opt to convert their property into an offshore asset protection trust. It means that the property will be out of the local courts jurisdiction, and so, no one will have a right to claim it. Note that a court judgment can easily seize assets under your name. However, those assets not under your name are safe from seizure because they do not belong to you as an individual. For instance, assets under a corporation, or a limited liability company, are not your personal assets, meaning that they dont belong to you alone. So, a court cannot seize such assets, even if you happen to lose a lawsuit in court. However, to have such complete protection in place, you will need to meet some legal, best practices, and filing requirements. In a state like California, for example, has weak protection laws. So, if you reside there, additional steps will be necessary in order to have complete protection. Understanding the state's requirement is, therefore, crucial as far as asset protection is concerned. What asset protection basically does is to help asset owners insulate assets legally. It ensures that while insulating assets, businesses, and individuals do not engage in illegal practices such as concealing assets, fraudulent transfer, contempt, bankruptcy fraud, or tax evasion.

**What is the Appropriate Time to Initiate Asset Protection?**
There are options in place that you can follow to protect your assets from an ongoing lawsuit. However, according to experts, it is safe for you as a property owner to initiate asset protection before a claim or liability occurs. The reason is that it will be too late to do meaningful protection the moment a creditor or a spouse initiates a claim over the property you wish to safeguard. Note that asset protection is a form of financial insurance. So, it will be in the best interest of a property owner to implement it in advance before the need arises. It will help to prevent a fraudulent ruling, given that it is a civil and not a criminal case. Planning asset protection ahead can be beneficial to a debtor. It prevents those targeting him or her from filing a lawsuit. Also, it ensures that a debtor gets a favorable ruling in court. Establishing an asset protection plan ahead will put you in a powerful position. You will not be an easy target for your creditor or spouse. It can prevent a lawsuit by making it impossible for someone to put a claim on your assets. In case of any litigation, it will provide reasonable negotiation leverage. So if as a debtor, you feel that there is a possibility of someone filing a lawsuit against you, it is time to act fast, to ensure a favorable outcome. With proper planning, you

can be in a better position to protect the wealth you have worked so hard for from the creditor's claims.

**Methods Used in Asset Protection**
When it comes to asset protection, the law protects only a few assets from creditors. The assets may include things such as retirement plans, home equity, and limited partnerships. These are assets that one does not hold legal title, making them untouchable. There are various methods individuals or business entities can use to protect these assets from possible claims. They include the following:

Asset protection trust: This is a good way of protecting assets, especially for those debtors with significant assets. Note that you can give a legal title to personal assets in a trust and still retain control over assets, but you cannot revoke the trust. Asset protection trust means that your name will no longer be on the assets as they stop belonging to you once you transfer the ownership. Such assets cannot be sieved as they are under the trustees authority and not you.

Family limited partnerships (FLP)- These are business establishments that are common among those individuals in real estate planning. The assets are under the ownership of partners who must also be family members, and the assets are in the businesss name. Note that a court cannot seize assets under FLP because they belong not to an individual but a family partnership.

**BENEFITS OF ASSET PROTECTION PLANNING**
Asset protection planning has a number of legal techniques that provide individuals and business entities with a variety of protective benefits. Some of these benefits are as follows:

**Ensures Financial Privacy**
Private ownership is one major reason for protecting assets. Owning real property as well as other forms of private wealth can reduce your net worth visibility. Remember, when a lawyer reviews a case related to asset claims, he will search through public records to see if he can find assets to liquidate for judgment purposes. If he finds none, there are high chances that he will not take up the case because he has nothing tangible to prove a judgment. Generally, financial privacy is a sure way of reducing risk related to a predatory legal situation.

**Prevent Lawsuit Hurdles**
Litigation, as well as lawsuits, are generally expensive, and they can drain your resources. A well-thought asset protection plan is a sure way of minimizing your losses. In a lawsuit, lawyers are always winners. Even after winning a case, you still have to pay legal expenses. Some of these legal expenses can sometimes be a bit more expensive than the lawsuit itself. What this means is that preventing a lawsuit is very crucial than winning it. So, asset protection planning is a measure that can keep you away from legal battles over assets.

**Judgment Proofing**
The greatest achievement in asset protection is to ensure that it prevents the seizure of your property (assets). However, to ensure this, you will need to have powerful international legal tools. A good example is an offshore trust. Property in the offshore trust is not within the local

court jurisdiction and, therefore, a court cannot seize them. Also, creditors or former spouse cannot put a claim over them.

**Preventing Theft**
In this era of technology, data breaches are on the rise. If you own assets and you have your assets private information all over the net, you can be an easy target for thieves. They can easily access the information and use it to steal your assets, especially if the assets are not under any protection. However, if your assets are protected, it will be difficult for someone to hack the information and use it to steal the assets.

**Reduce Accountability Risk**
If you have a well thought out asset protection plan in place, you can save yourself from losing the property you have worked so hard for over the years. Without a good plan of protecting your assets, you are at risk of losing your wealth to creditors or spouse claims. Asset protection will minimize such risk and also keep your business safe.

**Guidelines for Setting Up Asset Protection Strategies**
- Plan your asset protection before you find yourself in a lawsuit battle
- Be wise and separate your personal assets from business assets
- Avoid sole proprietor as it puts you at risk of losing your assets. Remember it is easy to seize property that is under your name
- To ensure asset protection, it is advisable to use a registered corporate
- Ensure that your annual asset protection requirements are intact so that your assets are always safe from creditors claims
- Ensure that your business assets are safe in a business entity
- Ensure that your commercial insurance policy is comprehensive. Such an insurance policy will ensure that you keep the property, and it does not end up in a court-ordered settlement.
  - Keep off scams to do with discount asset protection and corporation

**Terrorism and Intelligence**
Terrorism, the calculated use of violence to create a general climate of fear in a population and thereby to bring about a particular political objective. Terrorism has been practiced by political organizations with both rightist and leftist objectives, by nationalistic and religious groups, by revolutionaries, and even by state institutions such as armies, intelligence services, and police. Terrorism is not legally defined in all jurisdictions; the statutes that do exist, however, generally share some common elements. Terrorism involves the use or threat of violence and seeks to create fear, not just within the direct victims but among a wide audience.

**Terrorism Definitions**
International terrorism: Violent, criminal acts committed by individuals and/or groups who are inspired by, or associated with, designated foreign terrorist organizations or nations (state-sponsored).

Domestic terrorism: Violent, criminal acts committed by individuals and/or groups to further ideological goals stemming from domestic influences, such as those of a political, religious, social, racial, or environmental nature.

Many factors have contributed to the evolution of the terrorism threat on both the international and domestic fronts, such as:

Lone offenders: Terrorist threats have evolved from large-group conspiracies toward lone-offender attacks. These individuals often radicalize online and mobilize to violence quickly. Without a clear group affiliation or guidance, lone offenders are challenging to identify, investigate, and disrupt. The FBI relies on partnerships and tips from the public to identify and thwart these attacks.

The Internet and social media: International and domestic violent extremists have developed an extensive presence on the Internet through messaging platforms and online images, videos, and publications. These facilitate the groups' ability to radicalize and recruit individuals who are receptive to extremist messaging. Social media has also allowed both international and domestic terrorists to gain unprecedented, virtual access to people living in the United States in an effort to enable homeland attacks. The Islamic State of Iraq and ash-Sham (ISIS), in particular, encourages sympathizers to carry out simple attacks wherever they are located—or to travel to ISIS-held territory in Iraq and Syria and join its ranks as foreign fighters. This message has resonated with supporters in the United States and abroad.

How Citizens Can Protect Themselves and Report Suspicious Activity

It is important for people to protect themselves both online and in-person, and to report any suspicious activity they encounter. The simplest ways to accomplish this are to:

- Remain aware of your surroundings.
- Refrain from oversharing personal information.
- Say something if you see something. The insular nature of today's violent extremists makes them difficult for law enforcement to identify and disrupt before an attack. Many times, a person's family or friends may be the first to notice a concerning change in behavior that may indicate a person is mobilizing to violence.

**Counter-terrorism Activity**
**Strategic focus areas for counter-terrorism activities**

- Promoting the implementation of the international legal framework against terrorism and enhancing international legal co-operation in criminal matters related to terrorism;
- Countering violent extremism and radicalization that lead to terrorism, following a multidimensional approach;
- Preventing and suppressing the financing of terrorism;
- Countering the use of the Internet for terrorist purposes;
- Promoting dialogue and co-operation on counter-terrorism issues, in particular, through public-private partnerships between State authorities and the private sector (business community, industry), as well as civil society and the media;
- Strengthening national efforts to implement United Nations Security Council resolution 1540 (2004) on non-proliferation of weapons of mass destruction;
- Strengthening travel document security; and

- Promoting and protecting human rights and fundamental freedoms in the context of counter-terrorism measures

The intelligence services serve a key function in identifying many types of transnational threats. Domestic, foreign, and counter-intelligence services should be managed and resourced separately to prevent their instrumentalisation by narrow, vested political interests. Whilst information-sharing can be regulated, the political management of each agency should have the objective of ensuring the maintenance of public and human security within any given jurisdiction. A collection of international and regional best practices reflects the consensus on ensuring the accountability of intelligence agencies and their non-interference in domestic and international politics.

**Foreign**
Foreign intelligence services should be separate from domestic services and perform a monitoring role to identify security threats to the general population emanating from beyond a country's borders. Foreign services also have an information-sharing role to perform with a variety of international partners. International sources of insecurity monitored by foreign intelligence services include organised crime and terrorist networks.

**Domestic**
Domestic intelligence services have a monitoring and analytical role to perform against a variety of threats that may often have international links, including organised crime and terrorist networks. Whilst not serving a law enforcement function, the information generated by the work of domestic intelligence services should positively inform political decision-making. Military intelligence should also by analytical and a separate component of the defence ministry with no link to other intelligence services.

Certain intelligence services can be distinguished from other government agencies by the special powers they possess – subject to clear authorisation processes – to collect information, such as the power to intercept communications, conduct covert surveillance, use informants, and enter private property.

Given the special nature and powers of the intelligence services they must be subject to oversight in order to ensure they are accountable, comply with the established policies, norms and regulations, respect human rights and international standards, and use public funds in an accountable fashion.

**THE INTELLIGENCE CYCLE**
The intelligence cycle is the process through which intelligence is obtained, produced, and made available to users. In depicting this cycle, other nations may describe this cycle differently; however, the process is largely the same. The steps in the intelligence cycle are depicted in the following illustration:

**1. Planning and Direction:** The first step in the cycle, planning and direction, involves the management of the entire intelligence effort, from the identification of a need for data to the final delivery of the intelligence product to the consumer. The process consists of identifying, prioritizing, and validating intelligence requirements, translating requirements into observables, preparing collection plans, issuing requests for information collection, production, and dissemination, and continuously monitoring the availability of collected data. In this step specific collection capabilities are tasked, based on the type of information required, the susceptibility of the targeted activity to various types of collection activity, and the availability of collection assets.

**2. Collection:** includes both acquiring information and provisioning that information to processing and production elements. The collection process encompasses the management of various activities, including developing collection guidelines that ensure optimal use of available intelligence resources. Intelligence collection requirements are developed to meet the needs of potential consumers. Based upon identified intelligence, requirements collection activities are given specific taskings to collect information. These taskings are generally redundant and may use a number of different intelligence disciplines for collection activities. Tasking redundancy compensates for the potential loss or failure of a collection asset. It ensures that the failure of a collection asset is compensated for by duplicate or different assets capable of answering the collection need. The use of different types of collection systems contributes to redundancy. It also allows the collection of different types of information that can be used to confirm or disprove potential assessments. Collection operations depend on secure, rapid, redundant, and reliable communications to allow for data exchange and to provide opportunities for cross-cueing of assets and tip-off exchanges between assets. Once collected, information is correlated and forwarded for processing and production.

**3. Processing:** The third step, processing, is the conversion of collected information into a form suitable for the production of intelligence. In this process, incoming information is converted into formats that can be readily used by intelligence analysts in producing intelligence. Processing may include such activities as translation and reduction of intercepted messages into written format to permit detailed analysis and comparison with other information. Other types of processing include video production, photographic processing, and correlation of information collected by technical intelligence platforms.

**4. Production:** The fourth step, production, is the process of analyzing, evaluating, interpreting, and integrating raw data and information into finished intelligence products for known or anticipated purposes and applications. The product may be developed from a single source or from all-source collection and databases. To be effective, intelligence production must focus on the consumer's needs. It should be objective, timely, and most importantly accurate. As part of the production process, the analyst must eliminate information that is redundant, erroneous, or inapplicable to the intelligence requirement. As a result of the analytical effort, the analyst may determine that additional collection operations are required to fill in gaps left by previous collection or existing intelligence databases. The final intelligence product must provide the consumer with an understanding of the subject area, and draw analytical conclusions supported by available data.

**5. Dissemination:** The final step of the intelligence cycle is dissemination. Dissemination is the conveyance of intelligence to the consumer in a usable form. Intelligence can be provided to the consumer in a wide range of formats including verbal reports, written reports, imagery products, and intelligence databases. Dissemination can be accomplished through physical exchanges of data and through interconnected data and communications networks.

**Risk Management**

Risk management is a systematic process of identifying and assessing company risks and taking actions to protect a company against them. Some risk managers define risk as the possibility that a future occurrence may cause harm or losses, while noting that risk also may provide possible opportunities. By taking risks, companies sometimes can achieve considerable gains. However, companies need risk management to analyze possible risks in order to balance potential gains against potential losses and avoid expensive mistakes. Risk management is best used as a preventive measure rather than as a reactive measure. Companies benefit most from considering their risks when they are performing well and when markets are growing in order to sustain growth and profitability.

The task of the risk manager is to predict, and enact measures to control or prevent, losses within a company. The risk-management process involves identifying exposures to potential losses, measuring these exposures, and deciding how to protect the company from harm given the nature of the risks and the company's goals and resources. While companies face a host of different risks, some are more important than others. Risk managers determine their importance and ability to be affected while identifying and measuring exposures. Risk managers consider different methods for controlling or preventing risks and then select the best method given the company's goals and resources. After the method is selected and implemented, the method must be monitored to ensure that it produces the intended results.

**Types of Risks**

- Business risks, or those associated with an organization's particular market or industry;
- Market risks, or those associated with changes in market conditions, such as fluctuations in prices, interest rates, and exchange rates;
- Credit risks, or those associated with the potential for not receiving payments owed by debtors;
- Operational risks, or those associated with internal system failures because of mechanical problems (e.g., machines malfunctioning) or human errors (e.g., poor allocation of resources); and
- Legal risks, or those associated with the possibility of other parties not meeting their contractual obligations.

The first step when developing an emergency response plan is to conduct a risk assessment to identify potential emergency scenarios. An understanding of what can happen will enable you to determine resource requirements and to develop plans and procedures to prepare your business. The emergency plan should be consistent with your performance objectives.

**Emergency Planning**

Emergency planning refers to the coordination and management of resources and responsibilities pertaining to the mitigation of, preparedness for, response to, and recovery from an emergency.

At the very least, every facility should develop and implement an emergency plan for protecting employees, visitors, contractors and anyone else in the facility. This part of the emergency plan is called “protective actions for life safety” and includes building evacuation (“fire drills”), sheltering from severe weather such as tornadoes, “shelter-in-place” from an exterior airborne hazard such as a chemical release and lockdown. Lockdown is protective action when faced with an act of violence.

When an emergency occurs, the first priority is always life safety. The second priority is the stabilization of the incident. There are many actions that can be taken to stabilize an incident and minimize potential damage. First aid and CPR by trained employees can save lives. Use of fire extinguishers by trained employees can extinguish a small fire. Containment of a small chemical spill and supervision of building utilities and systems can minimize damage to a building and help prevent environmental damage.

Some severe weather events can be forecast hours before they arrive, providing valuable time to protect a facility. A plan should be established and resources should be on hand, or quickly, available to prepare a facility. The plan should also include a process for damage assessment, salvage, protection of undamaged property and cleanup following an incident. These actions to minimize further damage and business disruption are examples of property conservation.

Guidance for the development of an emergency response plan can be found in this step.

**Protective Actions for Life Safety**
When there is a hazard within a building such as a fire or chemical spill, occupants within the building should be evacuated or relocated to safety. Other incidents such as a bomb threat or receipt of a suspicious package may also require evacuation. If a tornado warning is broadcast, everyone should be moved to the strongest part of the building and away from exterior glass. If a transportation accident on a nearby highway results in the release of a chemical cloud, the fire department may warn to “shelter-in-place.” To protect employees from an act of violence, “lockdown” should be broadcast and everyone should hide or barricade themselves from the perpetrator.
Protective actions for life safety include:
Evacuation
Sheltering
Shelter-In-Place
Lockdown

Your emergency plan should include these protective actions. If you are a tenant in multi-tenanted building, coordinate planning with the building manager.

**Evacuation**
Prompt evacuation of employees requires a warning system that can be heard throughout the building. Test your fire alarm system to determine if it can be heard by all employees. If there is no fire alarm system, use a public address system, air horns or other means to warn

everyone to evacuate. Sound the evacuation signal during planned drills so employees are familiar with the sound.

Make sure that there are sufficient exits available at all times.
Check to see that there are at least two exits from hazardous areas on every floor of every building. Building or fire codes may require more exits for larger buildings.
Walk around the building and verify that exits are marked with exit signs and there is sufficient lighting so people can safely travel to an exit. If you find anything that blocks an exit, have it removed.

Enter every stairwell, walk down the stairs, and open the exit door to the outside. Continue walking until you reach a safe place away from the building. Consider using this safe area as an assembly area for evacuees.

Appoint an evacuation team leader and assign employees to direct evacuation of the building. Assign at least one person to each floor to act as a “floor warden” to direct employees to the nearest safe exit. Assign a backup in case the floor warden is not available or if the size of the floor is very large. Ask employees if they would need any special assistance evacuating or moving to shelter. Assign a “buddy” or aide to assist persons with disabilities during an emergency. Contact the fire department to develop a plan to evacuate persons with disabilities.

Have a list of employees and maintain a visitor log at the front desk, reception area or main office area. Assign someone to take the lists to the assembly area when the building is evacuated. Use the lists to account for everyone and inform the fire department whether everyone has been accounted for. A fire, chemical spill or other hazard may block an exit, so make sure the evacuation team can direct employees to an alternate safe exit.

**Sheltering**
If a tornado warning is broadcast, a distinct warning signal should be sounded and everyone should move to shelter in the strongest part of the building. Shelters may include basements or interior rooms with reinforced masonry construction. Evaluate potential shelters and conduct a drill to see whether shelter space can hold all employees. Since there may be little time to shelter when a tornado is approaching, early warning is important. If there is a severe thunderstorm, monitor news sources in case a tornado warning is broadcast. Consider purchasing an Emergency Alert System radio - available at many electronic stores. Tune in to weather warnings broadcast by local radio and television stations. Subscribe to free text and email warnings, which are available from multiple news and weather resources on the Internet.

**Shelter-In-Place**
A tanker truck crashes on a nearby highway releasing a chemical cloud. A large column of black smoke billows into the air from a fire in a nearby manufacturing plant. If, as part of this event, an explosion, or act of terrorism has occurred, public emergency officials may order people in the vicinity to “shelter-in-place.” You should develop a shelter-in-place plan. The plan should include a means to warn everyone to move away from windows and move to the core of the building. Warn anyone working outside to enter the building immediately. Move

everyone to the second and higher floors in a multistory building. Avoid occupying the basement. Close exterior doors and windows and shut down the building's air handling system. Have everyone remain sheltered until public officials broadcast that it is safe to evacuate the building.

**Lockdown**

An act of violence in the workplace could occur without warning. If loud "pops" are heard and gunfire is suspected, every employee should know to hide and remain silent. They should seek refuge in a room, close and lock the door, and barricade the door if it can be done quickly. They should be trained to hide under a desk, in the corner of a room and away from the door or windows. Multiple people should be trained to broadcast a lockdown warning from a safe location.

**Criminal Justice Security**

Any form of crime undermines the rule of law. Preventing crime involves taking measures that seek to reduce the risk of crimes occurring, and their potential harmful effects on individuals and society, including fear of crime, by intervening to influence their multiple causes.
The criminal justice system addresses the consequences of criminal behaviour in society and has the objective of protecting peoples' right to safety and the enjoyment of human rights. It refers, specifically, the work of the police, prosecution and judiciary with regard to criminal matters, as well as the access to legal aid, prisons and alternatives to imprisonment, restorative justice and victim protection and reparation. It also includes cross-cutting issues, such as gender, human rights and the considerations for victims and children within the criminal justice system.

Three main components make up the criminal justice system: law enforcement, courts, and corrections. They work together to prevent and punish deviant behavior.

**Law Enforcement**

This function is perhaps the most visible. Police officers are typically the first contact a criminal has with the criminal justice system.

Police patrol communities to help prevent crimes, to investigate incidences of crime and to arrest people suspected of committing crimes. Criminals enter the court system after they've been arrested.

**Courts System**

The court system consists of attorneys, judges, and juries, as well as ancillary staff. The guilt or innocence of a suspect is determined in court. The suspect, now a defendant, is offered the opportunity to defend himself in court as evidence is presented.
He is then either released or is found to have committed the alleged crime. If he's found guilty, the suspect receives a sentence or punishment based on criteria set by the judge and by statute. The defendant is turned over to the corrections system after sentencing.

**Corrections System**

The corrections system incorporates all forms of sentencing and punishment. It includes incarceration and probation. A convicted criminal is the responsibility of the corrections system until their full sentence is served or commuted.

**Security Leadership*****

**Public Emergency Services**

TYPES OF EMERGENCIES AND SCENARIOS

Whether at home or at work, emergencies can happen everywhere. Here are the most common types of emergencies and how to respond to them.

**Accidents**

**Accidents come in many forms.**

The most common ones include transportation accidents, such as car accidents. But accidents can be more severe. These include fires, hazardous material spills, explosions, structural collapse, or entrapment.

What you do during these accidents depends on what type of accidents you're enduring.

Most of these accidents require immediate emergency contact. For example, you should call an ambulance if someone is injured in a car accident or call the fire department if there's a fire.

There are also immediate measures you can do while you wait for an emergency. For example, let's say you rescued someone involved in a boating accident and they're unconscious.

Perform CPR or use an AED to ensure they start breathing. You can easily resuscitate the victim while you wait for emergency responders.

**Intentional Violence and Harm**

There are many accidents caused intentionally by humans. This can be as minor as a civil disturbance or a threat, or as severe as a kidnapping, robbery, and/or an act of terrorism.

The way you react depends on where you are in the situation. If you're the victim, it can be hard to know how to respond. The best course of action is to keep calm.

For example, if you're kidnapped, don't try and get defensive of your kidnapper, but do as they say until you see a chance to escape.

It's a similar scenario if you're robbed. Do as the robber says and give them what they want. Contact the police after they leave.

If someone is attacking people in masses, such as in a terrorist attack or a shooting, it's best to escape as quickly as possible.

**Natural Disasters**

Natural disasters have many forms. Common ones include earthquakes, hurricanes, tornadoes, floods, and other weather-related disasters. Natural disasters can also be disease-related, such as an outbreak of severe diseases.

Fortunately, you can prepare in advanced for many natural disasters. Board up your home during a hurricane.

Find evacuation during a tornado. Earthquakes can happen sporadically; during an earthquake, stay on the floor and hold on to the object closest to you.

If there's a disease outbreak, there's not much you can do if there's no cure. Report any sick loved ones and get them help. Perform CPR or use an AED if they stop breathing.

**Technological Disasters**

With advancements and our reliance on technology, there's more concern about technological disasters. These vary between data corruption, cyber attacks, cyber exploitation, malware, denial of service, and power grid blackouts.

These disasters require more preventative measures than anything. For example, if you're a victim of ransomware, you either re-upload the data from a separate hard drive or you pay the ransom if you don't have a separate hard drive.

Some technological disasters are extremely rare. Power grid blackouts and other types of mass power outages have only occurred a handful of times. Anything from natural disasters to terrorist attacks can cause these mass outages.

Preventative and backup actions are the most important way to solve these blackouts. It's also recommended every home has a generator in case they lose power for any reason.

**HOW TO PREVENT AN EXPECTED INCIDENT**

Fortunately, many incidents are warned ahead of time. Major storms such as hurricanes are a great example.

The best thing to do is to research the event and know what you have to do. For hurricanes, board up your windows, move all outside décor indoors, and cut down excess trees.

Always have a rescue and evacuation plan lined up.

**HOW TO RESPOND TO A CURRENT EMERGENCY SITUATION**

But we can't predict every disaster. Some, such as intentional harm, medical emergencies, accidents, and technological disasters, can happen at any time. That's why it's best to know how to take action.

First and foremost, try and be calm. Remember any education or training you've had in the past. CPR is a great example. If necessary, contact emergency services.

**HOW TO PREVENT A DISASTER**
There are some things we can do to prevent a disaster in the future. For natural disasters, make sure your home is sturdy and you have necessary supplies on hand.

For accidents, make sure you're operating all vehicles and machinery correctly. Ensure there's no structural damage and you're decreasing your risk of fires and explosives.

For intentional harm, make sure you're in safe areas, are surrounded by good people, and aren't flashing expensive possessions (to prevent burglary or robberies).

For technological disasters, make sure all data is backed up and keep a spare generator close by.

It's also a good idea to have common medical gear on hand. Great examples include an AED and first aid kit.

**PURCHASE EMERGENCY EQUIPMENT**
There are different types of emergencies and it's almost impossible to predict when one will happen.

The best course of action is to research emergencies, know what to do, and know how to prevent them. Always have a plan in case something bad occurs to you, a loved one, or anyone nearby.

One of the ways to prevent a disaster is by holding onto common medical supplies. Fortunately, you can easily find these products. We carry a wide selection of products, such as first aid kits and defibrillators.

**Crisis Response**
Crisis Response refers to all the advance planning and actions taken to address natural and man-made disasters, crises, critical incidents, and tragic events.

Crisis Management is the process by which an organization deals with a major event that threatens to harm the organization, its stakeholders, or the general public. Crisis Management targets the event. It is the planning and actions taken to deal with the actual incident.

Crisis Intervention is emergency psychological care aimed at assisting individuals in a crisis situation to restore equilibrium to their biopsychosocial functioning and to minimize the potential for psychological trauma. Crisis Intervention targets the stress reactions to the event. It is the planning and actions taken to deal with the emotional consequences of the incident. Intervention teams are frequently called Disaster Mental Health Teams, Crisis Response Teams or Critical Incident Stress Management (CISM) Teams.

Crisis Management and Crisis Intervention operations affect each other's mission. Effective Crisis Management minimizes stress reactions in the aftermath of the event and supports emotional recovery. It is crucial that Crisis Response plans require inclusion and integration of current best practices in the delivery of crisis intervention services by mental health professionals into existing emergency preparedness, response, recovery, and healthcare systems. Crisis Response Teams must fit into the Crisis Management structure and culture. Emergency Operations Centers should have a Crisis Intervention Liaison so Crisis Response Teams can be effectively deployed. Interventions, appropriately selected and applied, support Crisis Management operations.

**Phases of Crisis Response**

**Pre-Crisis Planning**
The best way to prepare for any crisis is to plan for the unexpected. Identify the variables and unknowns and lay out contingency plans for as many possible iterations as is practical.

Train your team and partners, providing clear expectations. This will involve some fire drill-style training and perhaps identifying a situation room. Use all available tools to help create a realistic situation and monitor the actual turnover time.

Have the right tools and team ready and able to jump on any crisis with minimal notice.

One big focus of a crisis is prepping media plans and statements for the executive team. It's equally important to prep the people who will be replying to questions and comments on social media.

Having a response team informed and on standby is good practice. The team will need to be ready for heavy moderation on all social channels and groups to keep chatter to a minimum.

Don't wait for the crisis to blow up, look for it. Social listening is a must in crisis management. Start the crisis protocol as early as possible to help minimize the impact on the brand. Your social listening should be set to alert you to unusual spikes on certain content across all social platforms — not just the big three.

**When a Crisis Arises**
Initiate war room planning. Take the time to process the information at hand before making any decisions, rather than making snap judgments. In a crisis, with its many moving parts, it's key to walk before you run. Take the time to connect with all involved to ensure you're streamlined.

Communication is key — internally, with partners, and certainly with your audience. Make sure to have aligned tone and message across all platforms and languages. Quick-fire content moderation will now be required. Keep in mind the three E's: empathy, engagement, and escalation.

The team will need to continue to monitor the situation for as long as it takes. A crisis may last days or weeks. Make sure to have your team ready, but allow time for them to rest. Weak teams increase the risk of mistakes.

**The Aftermath**

The crisis may be over, but you're far from finished. The crisis will impact the image of your brand in some way, either negatively or positively, depending on how it was handled. Your reputation is everything. Plan for extra support for a few weeks after the crisis to manage the staggering noise.

It's important to update your plan of activities following a crisis. You don't want to appear insensitive to the public. An ad may no longer be relevant, comments may now appear inappropriate, and events may seem untimely.

Make sure to review and report on how the crisis unfolds, compile learnings, and recognize the people (including partners, reporters, and followers) who supported you during the crisis. A well-managed crisis may cause your audience to feel a closer bond to your brand, which in turn could generate loyalty (which is what we all strive for). 85% of consumers will be loyal to a business in crisis if it has a history of transparency.

## INFORMATION MANAGEMENT INT2/004

**The course provides an excellent balance of traditional information management and library science informal by cutting edge development in information architecture and data management. The information management is vocational and practice oriented, design to support information and knowledge managers. It's an important route for anyone seeking professional status**

**Course Content**

- **Information Content**
- **Knowledge Organization**
- **Information and Digital Literacy**
- **Personal and Organizational Management**
- **Information and Knowledge Management**
- **Data Management**

# INFORMATION MANAGEMENT

Information is the source of a communication system, whether it is analog or digital. The term information content refers to the amount of information conveyed by a particular unit of language in a particular context. Information solves uncertainty. It defines what an entity or concept is and the essence and nature of it, helping people understand instructions, explanations, examples and theories. Understanding information and information sources can help you develop professional capabilities, like communication skills, to use across any industry or role.

Information is organized or classified data, which has some meaningful values for the receiver. Information is the processed data on which decisions and actions are based. Information is a fact, thought or data conveyed or described through various mediums, like written, oral, visual and audio communications. It is knowledge shared or obtained through study, instruction, investigation or news and you share it through the act of communicating, whether verbally, nonverbally, visually, or through written word. Information has different names, including intelligence, message, data, signal or fact. Knowing what type of information you need or how to share it can help you save time, stay organized and establish best practices for divulging information.

Words often associated with information include:

- Assumptions
- Perception
- Disinformation
- Misinformation
- Facts
- Understanding
- Know-how
- Communication
- Education
- Gray area
- Data
- Knowledge
- Storytelling
- Information overload
- Primary source
- Situational awareness
- Visual information

For the decision to be meaningful, the processed data must qualify for the following characteristics −

Timely − Information should be available when required.

Accuracy − Information should be accurate.

Completeness − Information should be complete.

**Six types of information**
There are six different varieties of information. Here we inspect each one in depth to help you better understand them all:

**Conceptual information**
Conceptual information comes from ideas, theories, concepts, hypothesizes and more. With conceptual information, an abstract idea is not always rooted in scientific foundation and rather is the fundamental creation of beliefs, thoughts, philosophies and preferences. You can form or share conceptual information through comparison and reflection, creating philosophies that cannot be proven or seen.
Here are some examples of conceptual information:
Charles Darwin's theory of evolution
Copernican concept of astronomy
Conceptual art, where the method of producing it is more important than the finished product

**Procedural information**
Procedural information, or imperative knowledge, is the method of how someone knows to do something and used by performing a task. You can refer to it as muscle memory, since it is knowledge that is hard to explain and stored deeply in your mind.

Here are two examples of procedural information:
Riding a bicycle: Riding a bike takes physical practice to comprehend, regardless of the amount or type of instructions given.

Driving a car: You can pass your written driving test or get a perfect score, though have little knowledge of the procedural information it takes to operate and drive a vehicle.

Tying a shoelace: Because the concept is hard to explain, it may take a child several attempts to first learn how to tie a shoelace, even with visual examples and descriptive words.

**Policy information**
Policy information focuses on decision making and the design, formation and selection of policies. It comprises laws, guidelines, regulations, rules and oversight for an organization, group of people or place. You can gain policy information through pictures, diagrams, descriptions and other visual, audio or written messages.

Here are some examples of policy information:
Food pyramid diagram
Periodic table of elements
Organizational charts
Employee handbooks
The United States Constitution
Government restrictive, regulatory or facilitating policies

**Stimulatory information**
Stimulatory information is information that creates a response or stimulation amongst a person or group of people. Stimulation encourages the cause of activity and you can gain stimulatory information a variety of ways, like in person through observation, through word-of-mouth communication or through outlets like the news.

One example may be a person observing the body language and nonverbal communication of someone walking nearby. If the stimulation is positive, they may say hello and start a conversation perhaps or, if the stimulation is not positive, they may respond by walking the other way, running away or creating more distance between them.

Here are other examples of stimulatory information:
Victory day celebrations after a sports team wins a championship
The physiological fight-or-flight reaction response to perceived harm

**Empirical information**
Empirical information means information gained through human senses, observation, experimentation and the testing of a hypothesis by establishing documentation of patterns or behavior. It almost always has a scientific foundation and verifies the truth or falsehood of a claim through qualitative and quantitative factors.

Here are several examples of empirical information, rooted in science:
Electricity
Atomic theory
Theory of gravity
Kinetic theory of matter
Genetics and DNA
Empirical information and evidence is opposite of anecdotal information and evidence, which is a conclusion based on informal collection methods, most often a personal experience and testimony.

**Directive information**
Directive and descriptive information is about providing directions to a person or group of people to achieve a particular result and outcome. You can use directive information with or without dictating the means to achieve the desired result. Directive information often comes in verbal or written form and can apply to leadership at work, in the military or government and with everyday experiences, like legal, life and safety matters.

Here are some examples of directive and descriptive information:
Medical do not resuscitate (DNR) orders
Organ donation paperwork
Living wills
Coaching
Mode of operations in any organization
Employment performance reviews
Military commands

Directive leadership

Other classifications of information
Another way to classify information is through these four attributes:

Factual information: Factual information deals only with truthful and proven concepts, like the scientific fact the freezing point of water is 32 degrees Fahrenheit.

Analytical information: Analytical information is the interpretation of factual information, determining what is implied or inferred, like you can make ice cubes by storing them in freezers colder than 32 degrees.

Subjective information: Subjective information is that from one point of view, like opinions.

Objective information: Objective information is that from several points of view that offer all sides of an argument, like scientific or medical journal articles and publications.

**Three-fold vertical division of types of information**
1. Constructional/creative information: This includes all information that is used for the purpose of producing something. Before anything can be made, the originator mobilizes his intelligence, his supply of ideas, his know-how, and his inventiveness to encode his concept in a suitable way. There are many types of encoded blueprints, e.g., technical drawings for the construction of a machine, a cake recipe, details of the chemical processes for synthesizing polyvinyl chloride, an electrical circuit diagram, or the genetic information required for the construction of a living cell.

The criteria for evaluating the searched-for solution are found both in the conceptual stage (semantic aspect of the information) and in the sophistication of the implementation (pragmatics). One or more of the following catchwords characterize these criteria depending on the situation, underlying functional concept, degree of inventiveness, cleverness of the method of solution, achieved optimality, input strategy, brevity of construction time, applied technology, suitable programming, and degree of miniaturization (e.g., economical use of material and energy). The quality of the visible results (apobetics) can be evaluated in terms of the achieved goal, the efficiency of the input, the ingenuity of the operation, and the certainty of correct functioning (e.g., low susceptibility to interference).

**2. Operational information:** All concepts having the purpose of maintaining some “industry” in the widest sense of the word are included under this kind of information. Many systems require operational information in the form of programs for proper functioning. These programs are indispensable and ensure that the preconceived processes run as expected. A barrel-organ cannot function without the required cylinder, and the human body is viable only when the conceptual information is provided with all the interactions carried by the nervous system to and from the brain and all the bodily organs. The amount of information streaming through the deliberate as well as all involuntary activities of the human body is about 3 x 1024 bits per day. When this is compared with the total quantity of information stored in all the libraries of the world—1018 bits—we make an astounding discovery: The quantity of information processed in our bodies during the course of one day is one million times greater then all the knowledge represented in the books of the world.

Further examples of operational information as found in technology and in nature:
—the operating system of a computer (e.g., DOS programs),
—the program controlling a robot or a process computer,
—warning systems for airplanes and ships,
—pheromone languages of insects,
—bee dancing,
—the hormonal system of the body, and
—operational information in the animal kingdom, which we call “instincts” because of our lack of knowledge about their codes and methods of transfer (e.g., the navigational system of migrating birds).

**3. Communication information:** This is composed of all other kinds of information, e.g., letters, books, phone calls, radio transmissions, bird songs, and the message of the Bible. The apobetic aspect of such information does not include the construction of a product, neither is it involved in maintaining some process. The goals are transmission of a message, spreading joy, amusement, instruction, and personal confidences.

**Needs & Importance of Information:**
In the present day society, there is a great and urgent need for access and availability of information. The information need for the various purposes is enumerated below as:

Information is an aid in decision making, policy making needed for the policy makers, decision makers, managers etc.

Information will have a reinforcing/ trans forming effect on human beings on receiving it. A great deal for change can be perceived in the human minds/ attitudes on obtaining the information, as it increases the ability of personal knowledge for the recipient.

Information generates new information. This is the existing knowledge/ information helps in generating new information; new knowledge; new theories, etc.

In fact, scientists and scholars avail or use information to produce another document, like research reports, thesis/ dissertations, books, journal articles, seminar paper etc.

The users of various professions and vocations like doctors, engineers, scientists, scholars etc. acquire and apply information in order to do their job more effectively and efficiently. i.e. application of information for practical purposes.

Information supports research in order to obtain effective and fruitful results.

Information helps in better management of manpower, materials, production, finance, marketing etc.

State-of-art kind of information of a subject helps in identifying the gaps/ shortcomings in in the subject field and to identify the research problems to be explored or undertaken.

Information helps in avoiding the duplication of research.

Information stimulates the thought process of the users, particularly the scholars.

Information helps the scientists, engineers, scholars, etc. to get well informed with the current advancements in their subjects, and to keep them up-to-date.

**Knowledge Organization**

As organizations evolve, expand into new areas, and define their approach to business, they develop significant institutional knowledge. This information is invaluable to the company. Imparting it to new or less experienced staff is vital for maintaining successful operations. Knowledge management is the conscious process of defining, structuring, retaining, and sharing the knowledge and experience of employees within an organization. The primary goal of knowledge organization is to facilitate the connection of staff looking for information, or institutional knowledge, with the people who have it.

With practical knowledge organization in place, organizations can spread information and raise the level of expertise held by specific individuals or teams to improve the efficiency of their practices.

It often refers to training and learning in an organization or of its customers. It consists of a cycle of creating, sharing, structuring, and auditing knowledge to maximize the effectiveness of an organization's collective expertise.

Knowledge management in practice

Knowledge management can be separated into three main areas:

Accumulating knowledge

Storing knowledge

Sharing knowledge

By accumulating and storing the staff's knowledge, companies hold onto what has made them successful in the past. In addition, sharing this information throughout the organization informs staff of past approaches that improve performance or better inform new strategies.

To achieve the goal of knowledge management, companies have to enable and promote a culture of learning and development, creating an environment where employees are encouraged to share information to better the collective workforce.

**Types of knowledge**

When discussing knowledge management, it is helpful to consider the different types of knowledge and how it is possible to share them within an organization.

The information knowledge management covers can generally be broken down into three main types:

1. Explicit knowledge is knowledge and information that can be easily codified and taught, such as how to change the toner in a printer and mathematical equations.
2. Implicit knowledge is knowledge that explains how best to implement explicit knowledge. For example, consider discussing a task with an experienced co-worker. They may provide explicit steps detailing how to complete the job. But they may also use their understanding of the situation to consider different options and decide the best approach for your given circumstances. The experienced employee utilizes and shares their implicit knowledge to improve how the team operates.
3. Tacit knowledge is knowledge gained through experience. Therefore, it is more intuitive and less easy to share with others. Examples of tacit knowledge are "know-hows", innovative thinking, and understanding body language.

While knowledge management for implicit and tacit knowledge can be harder to implement, with correct procedures in place, you can ensure all relevant information is shared around the company and retained as staff retire or move on.

Utilizing all the expertise in your company benefits the business as a whole, creating best practices for everyday tasks, improving situational awareness, developing employee intuition for course corrections, and enhancing organizational capacity.

**Knowledge Management Process**
Implementing effective knowledge management requires proactive strategies and incorporating multiple new processes.

Companies have to uncover the existing knowledge available to them, understand how to spread this information to produce additional value, and plan what this looks like in action.

**1. Discovery**
Every organization has multiple sources of knowledge, from employees to data and records.

This could be the education and skillsets staff bring to the job, the experience and unique expertise they develop on the job, or hard drives of data that can positively affect the business with proper analysis.

During the discovery process, organizations must identify all the available sources of knowledge, with a particular emphasis on information that could be easily lost.

This process is simplified by a strong understanding of where and how knowledge flows around the organization.

**2. Collection**
Collecting all the available knowledge and data creates the foundation from which future processes build.

Sloppy or incorrect knowledge collection leads to decisions without a complete understanding of the organization and its capabilities.

Companies must audit their existing staff expertise, documentation, and external knowledge sources. A range of tools is available to help, including automated surveys, document scanning, and metadata.

Post-implementation, many organizations redefine internal processes to make capturing institutional knowledge a part of everyday processes. This could be through continual employee feedback systems or more in-depth offboarding procedures.

**3. Assessment**
This process involves the deep analysis of the knowledge gathered in the previous two steps. Data must be assessed and organized into a structured, searchable, and easily accessible form.

Assessment of the gathered knowledge is required to ensure it is accurate, offers value, and is up to date.

Then teams can determine how best to share information to improve company performance and give staff the knowledge they need to maximize performance.

Utilizing the right knowledge management system simplifies this process by allowing leadership to organize, assess, segment, and store a comprehensive knowledge database.

**4. Sharing**
The whole point of knowledge management is to give staff the expertise and information they need to do their job to the best of their ability.

Once you have built a detailed and accurate body of knowledge related to your company, you need to plan how it will be shared.

See the “Knowledge management methods” section below for examples of how to share information around your company.

While there are many examples of sharing information, one thing that should be universal is creating a cultural shift towards learning and development.

Leadership must prioritize and reward knowledge sharing, creating an atmosphere where team members are actively encouraged to both teach each other and learn from one another.

**5. Application**
This is the step where organizations reap the rewards of knowledge management. Discovering and storing institutional knowledge is just the beginning.

Staff utilizing newly acquired expertise in their tasks brings a range of benefits in productivity, accuracy, decision-making, and more innovative employees.

**6. Creation**
The final stage of knowledge management is to create more knowledge.

It should never be considered a one-and-done process. A single audit and rollout won't deliver the results you are looking for.

Knowledge management is a continual process that maximizes a company's performance for the expertise available to it.
Whether it is a team discovering a new, more efficient approach to a task or a better way of capturing data related to company performance, organizations should constantly be innovating and creating new knowledge to pass on to future employees.

**Information and Digital Literacy**
Digital literacy includes the ability to find and use information (otherwise known as information literacy) but goes beyond this to encompass communication, collaboration and teamwork, social awareness in the digital environment, understanding of e-safety and creation of new information. Both digital and information literacy are underpinned by critical thinking and evaluation.

Digital literacy means being able to understand and use technology. It relates to the ability to find, use and create information online in a beneficial and useful way. Digital literacy also means knowing the limitations of technology and understanding the dangers and precautions that the use of technology requires. It is different from being computer literate. Sure, being able to use a computer is a part of it. But digital literacy goes more in-depth than the simple use of a computer.

Digital literacy can be simple or complex. In the simplest terms, Digital literacy means things such as the ability to navigate a website, send an email or use social media. However, digital literacy also refers to a deeper understanding of the technology that surrounds us. It can also refer to practical software skills such as creating a blog, coding a website or an app.

Digital literacy is not just knowing how to check SnapChat or Instagram. Several important topics within digital literacy include understanding:
Internet Safety
Digital Footprints
Cyberbullying
Ethics of using online resources (avoiding plagiarism)

**The 4 Principles of Digital Literacy**
There are 4 main principles of digital literacy that are important to understand. These are:

**Comprehension:** The first principle is comprehension and refers to the ability for readers of digital media to be able to understand its content.

**Interdependence:** Today, the world exists in an interconnected state. Digital media consumption is now a part of our everyday lives. The term digital interdependence reflects how one media form connects with another. The proliferation of digital devices has made it easier to consume content from different mediums.

**Social Factors:** In the word of social media, there are a variety of social factors that can affect how messages are perceived in the digital world. Understanding these social factors is key to understanding the success of certain types of media.

**Curation:** Anyone who has saved a pin to a Pinterest board understands the concept of digital curation. Curation refers to finding, organizing and saving digital media in away that makes it easier to access and use this information in the future.

**Personal and Organizational Management**

Organizational Management is a concept wide enough to cover an entire organization. It is also an activity that is normally carried by senior executives, that have a broad knowledge and influence throughout the entire organization. This activity is frequently guided by a set of goals that must be achieved in order to fulfill the company's long term vision. By managing all the available resources properly, the administrators can guide the company towards these goals.

These resources include financial resources, staff, facilities, business relationships, knowledge, processes and techniques that are part of the company's assets, either tangible or intangible. Most academics agree that organizational management deals with four main stages: planning, organizing, leading and controlling. Planning and organizing refers to all activities carried as preparation for what will be done. Leading is executing the plans through the previously organized resources and controlling means to evaluate results obtained and adjust accordingly.

Why is organizational management important?

Strong organizational management can help companies make money and achieve goals. The benefits of having an effective organizational management strategy include:

- Let employers find you when you create an Indeed Resume
- Setting clear goals for all employees to work toward
- Defining each employee's role and responsibilities within the organization
- Creating processes to achieve company goals
- Monitoring results, encouraging feedback and making changes as needed
- Finding the best ways to use resources
- Being adaptable

When done correctly, organizational management allows companies to use their material and human resources effectively, reduce costs and increase profits.

**Organizational management styles**

Companies and their leaders can follow several types of management styles. Your company might have one type of organizational management style based on the owner's or CEO's vision or use several types depending on what works best for each department or manager. Here are seven common organizational management styles and their key traits:

**Autocratic**
With an autocratic organizational management style, one person leads the company and has all the authority. They are responsible for making all important decisions, typically without input from lower-level managers and employees. Autocratic leaders establish clear policies for employees to follow.

This management style is effective in companies where accuracy and control are more important than creativity. An organization where employees perform controlled tasks or manufacture precise products, for example, might need a disciplined and decisive leader to oversee their work and ensure they produce functioning products. Autocratic leaders might also benefit companies that employ large workforces with limited training. These employees might need constant management to do their jobs correctly.

**Bureaucratic**
Bureaucratic organizational management follows formal rules, structures and processes. These companies have a clear hierarchy and set of expectations for employees at every level. Employees report to their direct supervisors, who report to their superiors. Bureaucratic managers are highly focused and lead by enforcing rules and maintaining order.

This type of organizational management might benefit companies that process a huge amount of information or documentation, work with significant numbers of people every day or must follow strict codes or regulations. These companies need consistency, organization and strict procedures to work effectively and accurately.

**Democratic**
Companies with democratic or participative organizational management have a clear hierarchy but welcome feedback from employees of all levels. This work environment encourages group decision-making, collaboration and teamwork. Managers typically have open and effective communication with their employees. Company leaders delegate tasks and make important decisions, but they gather ideas and feedback from all employees before doing so.

Democratic management can benefit a company or department filled with experienced, talented and inventive employees. They thrive under a supportive and engaging leader who asks for their feedback and allows them to participate in decision-making processes. The manager's job is to determine how to best use each team member's strengths and ideas.

**Laissez-faire**
With a laissez-faire organizational management, company leaders are not highly involved in decision-making or operations. They serve as leaders in title and appearance and simply provide the guidelines and resources employees need to complete their tasks. In this work environment, employees can make decisions and manage themselves. They have the

independence to oversee projects, think creatively and solve problems without communicating frequently with their managers.

Laissez-faire management can benefit organizations that employ experienced and knowledgeable staff who are experts in their field. They do not require constant management to perform their job well and often know more about the company's products or services than their supervisors. The company's leadership is trusting and open-minded.

**Management by wandering around**
Organizational management by wandering or walking around is a leadership method popular among project managers. With this strategy, management interacts with their employees frequently and acts like an equal part of the team. They ask for feedback, suggestions and concerns and are good listeners. The supervisor is more like a mentor to their employees than a manager. They offer encouragement and reinforce the company's vision or goals.

**Paternalistic**
In a paternalistic or parental organizational management, one individual serves as the company leader and treats their employees as a family or partners. As a result, their employees are often loyal, motivated and committed to the company's success. Management creates policies that benefit both the company and its staff and welcome feedback from employees of all levels. Under this management style, the company leader often provides skills training and career advancement opportunities for employees.

Companies that prioritize their employees' needs over profits or stakeholder needs might use a paternalistic management style.

**Transformational**
Company leaders who have a transformational management style challenge traditional ideas and methods of doing things. They encourage change and innovation to improve the organization. They find ways to maximize each employee's potential and performance.

Transformational management can benefit conventional companies that to need modernize their operations or products to stay competitive in a changing market. These organizations might hire a dynamic and motivational leader to improve their strategies and processes and ensure the company remains successful.

**Essential Features of Organization Management**
**Planning**

- Prepare an effective business plan. It is essential to decide on the future course of action to avoid confusions later on.
- Plan out how you intend to do things.
- Organizing
- Organizing refers to the judicious use of resources to achieve the best out of the employees.
- Prepare a monthly budget for smooth cash flow.

**Staffing**

- Poor organization management leads to unhappy employees who eventually create problems for themselves as well as the organization.
- Recruit the right talent for the organization.
- Leading
- The managers or superiors must set clear targets for the team members.
- A leader must make sure his team members work in unison towards a common objective. He is the one who decides what would be right in a particular situation.

Control

- The superiors must be aware of what is happening around them.
- Hierarchies should be well defined for an effective management.
- The reporting bosses must review the performance and progress of their subordinates and guide them whenever required.

Time Management

- An effective time management helps the employees to do the right thing at the right time.
- Managing time effectively always pays in the long run.

Motivation

- Motivation goes a long way in binding the employees together.
- Appreciating the employees for their good work or lucrative incentive schemes go a long way in motivating the employees and make them work for a longer span of time.

Personal management is a managerial function that is concerned with the people and their relationship within an organization. Remember a satisfied workforce can take the company to unimaginable heights, and this is why a business entity creates a separate personal management department.

The personal management team selects and hires employees as per the requirement o its company, offers them the necessary training to become better and develop their working, ensures proper working conditions and encourages a harmonious relationship between workforce and management. It plays a significant role in a company as it can plan and organize its manpower to utilize both human and material resources admirably.

Personal management offers effective incentives to motivate and encourage full co-operation. It stimulates the workings of its workforce to increase competency and potential.

## FUNCTIONS OF PERSONAL MANAGEMENT

### Manpower planning

One of the major functions of personal management is manpower planning, and it deals in placing the appropriate kind and number of people in the right place and time to achieve the best desired results.

**Training development**
Training has become an integral part of most of the organizations as it helps to enhance the workings of an employee to its maximum ability. Training is offered to both new and existing employees. There are two types of training on-job and off-job training. The on-job training method is cost-effective and includes training the employees during everyday working through coaching, job rotation, etc.

The off-job training method includes training the employees at separate workshops or through participation in seminars and conferences. This proves a bit costly but offers long-term benefits to the company.

**Recruitment**
Another function of personal management is dealing in the recruitment process.
It is further subdivided into two headings that include

1. **Internal Recruitment**

The source of internal recruitment process includes promotions via internal postings of job, through transfers and via re-employment of employees that were once a part of the company.

2. **External Recruitment**

As the name suggests the source of external recruitment are obviously outside the organization.

**Employee Selection**
Selecting the right candidate for the job is an important function of personal management.
The process takes place in an orderly manner that includes the following steps:

1. **Preliminary interview**

The screening or preliminary interviews are less formal than the final interviews and are generally conducted to shortlist the number of applicants as per the eligibility criteria that has been set up by the company.

The skills, knowledge competency, and qualifications are examined during this interview so that the candidates who fit the profile can move on to the next stage.

2. **Application blanks**

It includes details about qualifications, age, experience, and reason for leaving the last job and has to be filled by the applicants that have cleared the preliminary interviews.

3. **Written tests**

The employee selection procedure includes written tests like a personality test, intelligence test, and aptitude test to assess the potential of a candidate.

4. **Employment interview**

The employment interview process includes a personal meet on a one-on-one basis between the probable employee and the management. It is conducted to determine the suitability of the applicant for the job in question.

**5. Medical examination**

Medical tests have become a part of the employee selection process and are conducted everywhere to ensure whether the candidate is fit for the job or not.

**6. Appointment letter**

A formal appointment letter is a commitment from the company to hire the applicant and is given when he has successfully passed all the hurdles in his path.

**Objectives of personal management**

The objectives of personal management are as follows-

- Achieve optimal utilization of human resources by improving working conditions
- Establish a close working relationship amongst every employee in an organization
- Offering opportunities for growth and advancement of employees through further education and training
- Increasing the levels of commitment, loyalty, and involvement amongst the employees
- Defining the accountability and responsibility of each job
- Satisfying group and individual needs by ensuring mental satisfaction. It is important to ensure that an employee is assured of job security so that he can work without any undue pressure
- Offering social and economic security in the form of monetary compensation against factors like illness, death and old age
- Minimizing friction between employees and also between management and employees

**Information and Knowledge Management**

Information Management is about data and information. Its focus is on organizing, analyzing, and retrieving information. Information management is a field that is growing in more popularity and is concerned with:

- The infrastructure used to collect, manage, preserve, store and deliver information
- The guiding principles that allow information to be available to the right people at the right time
- The view that all information, both digital and physical, is an asset that requires proper management
- The organizational and social contexts in which information exists

Importance of Information management

All companies use information to set strategies and accomplish business objectives. Information is therefore key to any business or organisation but how many of these companies would say they are getting maximum value from information? Our guess is not many.

The benefits of effective information management are:

- Improved leverage of the organization's technology investments
- Improved ROI of information across the whole organization
- Increased efficiency
- Improved effectiveness and performance

- Sustained responsiveness and competitiveness
- Enhanced creativity and innovation
- Ensured compliance in relation to legal and regulatory

Before one can begin to talk about knowledge management, it is important that the meaning of "knowledge" be defined. Defining knowledge can be difficult due to the relationship with two other concepts: data and information.

Data therefore refers mostly to factual information. Knowledge can be defined as the ability or capacity of an individual who has been trained on some subject matter (such as medicine) which allows them then go out into society and share what they know with others so that their skills may benefit everyone around them.

Knowledge management is the control and organisation of knowledge. The practice of knowledge management is applicable within any business. The context to which the knowledge is applied however is very specific to an organisation's needs and differs from business to business.

Knowledge Management is therefore about knowledge, understanding and wisdom. Its focus is on finding, gathering, assessing, and sharing information and knowledge.

Why is knowledge management important?
The proliferation of different apps used by different teams across companies means that useful information increasingly lives within silos within organizations. And that exacerbates the effects of knowledge not being shared.

Employees also move on, taking with them company knowledge.

Effective knowledge management reduces operational costs and improves productivity by:
- Spending less time recreating existing knowledge
- Getting the information you need sooner
- Making fewer mistakes
- Making informed decisions
- Standardize processes.

The process of effective Information Management

Information management enables organisations and their teams to work more efficiently and effectively when they can rely on accurate and timely information and data.

The process of information management encompasses a cycle of different activities:

**Collection –** collecting information can be in many different forms such as written, oral, electronic, audio or video. Only collect the information that is needed and can be trusted.

**Storage –** storing information is important for analysis, legislative requirements, historical trends, etc. Make sure the right people have access to the information, as well as version control, export permissions, back-ups, etc.
**Curation –** the process of gathering and organizing information relevant to a certain topic with the intention to add value.
**Dissemination –** what information needs to be distributed or shared and with who, in what format, how often, under what circumstances, etc. keeping in mind security protocols at the same time.

**Archiving –** based on company policy and judgement, information needs to be archived at a certain time. Make sure to have an effective classification system in place that anticipates future uses.

**Destruction –** destructing or deleting, Corporate Information and data may have an expiry data. It can be important for now but may not have any value in the future. Think of privacy laws that only allows you to store information for a specific period of time.

**KEY DIFFERENCES BETWEEN INFORMATION MANAGEMENT AND KNOWLEDGE MANAGEMENT**

Let's start with the key differences between information and knowledge:

- Information is organized data obtained from various sources. Knowledge is understanding of the subject acquired from experience or education.
- Information comes from data put together in a meaningful way. Whereas information combined with experience and intuition, results in knowledge.
- Information can be codified and it is easily transferrable using technology. Knowledge is both codified and uncodified but the the most valuable knowledge is often uncodified. The transfer of knowledge is therefore more difficult because it is unarticulated and requires experience or learning.
- Information can be reproduced easily and at a lower cost. The reproduction of knowledge is more difficult since it is reliant on tacit knowledge.
- Information is mostly about know-what, i.e. it offers a fact that you can then use to
- help create useful knowledge. Knowledge is
- Information alone is not sufficient to make predictions about someone or something. On the contrary, knowledge has the ability to predict or make inferences.
- Every information is not necessarily knowledge but all knowledge is information.

**Data Management**
Data management refers to the professional practice of constructing and maintaining a framework for ingesting, storing, mining, and archiving the data integral to a modern business. Data management is the spine that connects all segments of the information lifecycle.
Data management works symbiotically with process management, ensuring that the actions teams take are informed by the cleanest, most current data available — which in today's world means tracking changes and trends in real-time. Below is a deeper look at the practice, its

benefits and challenges, and best practices for helping your organization get the most out of its business intelligence.

**7 Types Of Data Management**

Data management experts generally focus on specialties within the field. These specialties can fall under one or more of the following areas:

**Master data management:** Master data management (MDM) is the process of ensuring the organization is always working with — and making business decisions based on — a single version of current, reliable information. Ingesting data from all of your data sources and presenting it as one constant, reliable source, as well as repropagating data into different systems, requires the right tools.

**Data stewardship:** A data steward does not develop information management policies but rather deploys and enforces them across the enterprise. As the name implies, a data steward stands watch over enterprise data collection and movement policies, ensuring practices are implemented and rules are enforced.

**Data quality management:** If a data steward is a kind of digital sheriff, a data quality manager might be thought of as his court clerk. Quality management is responsible for combing through collected data for underlying problems like duplicate records, inconsistent versions, and more. Data quality managers support the defined data management system.

**Data security:** One of the most important aspects of data management today is security. Though emergent practices like DevSecOps incorporate security considerations at every level of application development and data exchange, security specialists are still tasked with encryption management, preventing unauthorized access, guarding against accidental movement or deletion, and other frontline concerns.

**Data governance:** Data governance sets the law for an enterprise's state of information. A data governance framework is like a constitution that clearly outlines policies for the intake, flow, and protection of institutional information. Data governors oversee their network of stewards, quality management professionals, security teams, and other people and data management processes in pursuit of a governance policy that serves a master data management approach.

**Big data management:** Big data is the catch-all term used to describe gathering, analyzing, and using massive amounts of digital information to improve operations. In broad terms, this area of data management specializes in intake, integrity, and storage of the tide of raw data that other management teams use to improve operations and security or inform business intelligence.

**Data warehousing:** Information is the building block of modern business. The sheer volume of information presents an obvious challenge: What do we do with all these blocks? Data warehouse management provides and oversees the physical and/or cloud-based infrastructure used to aggregate raw data and analyze it in-depth to produce business insights.

The unique needs of any organization practicing data management may require a blend of some or all of these approaches. Familiarity with management areas provides data managers with the background they need to build solutions customized for their environments.

**IMPORTANT OF DATA IN ANY ORGANISATION**

**1. Increases productivity:** If data can be accessed easily, especially in large organisations ,your company will be more organised and productive. It reduces the time that people spend looking for information and instead ensures that they can do their job efficiently. Employees will also be able to understand and communicate information to others. Furthermore, it makes it easy to access past correspondence and prevent miscommunication due to messages lost in transit.

**2. Smooth operations:** A seamless operating system is every business' dream and data management can make that a reality. It is one of the determining factors in ensuring the success of an organisation; if one takes too long to respond to their customers or to the changing trends around them, they run the risk of falling behind. A risk that one cannot afford. A good data management system will sure that you respond to the world accordingly and stay ahead of the competition.

**3. Reduce security risk:** It is the first time in history that so much personal information is available to those that can access it. When you store people's credit card information, personal address, phone numbers, photos, etc. it is of paramount importance that this data is protected by the best possible security. If your data is not managed properly, it can fall into the wrong hands. Data theft will also have severe implications on the growth of your company; nobody wants to leave their details in the hands of people that do not know how to protect it.

**4. Cost effective:** If you have a good system in place, you will spend less money trying to fix problems that shouldn't have occured in the first place. It also prevents spending time-and money- duplicating information that already exists.

**5. Minimal chance of data loss:** A good data management system will reduce the chances of losing important company information. It also ensures that your data is backed up and in case of a sudden glitch or system failure, any data that is lost can be retrieved easily, limiting the repercussions of the same.

**6. Better decision making:** When everything is in its place, and everyone knows where to look for it, the quality of your decisions improve drastically. By nature, people have different ways of processing information, but a centralised system ensures a framework to plan, organise and delegate. Additionally, a good system will ensure good feedback, which in turn will lead to necessary updates to the process that will only benefit your company in the long run.