Ralph Picano: [00:00:00] The industry is still used to hours and dollars and so, you know, people working hours, not necessarily the equipment or the technology that they're using.

Peter Margaritis: [00:00:22] Welcome to Change Your Mindset podcast, formerly known as Improv is no Joke, where it's all about believing that strong communication skills are the best way in delivering your technical accounting knowledge and growing your business. An effective way of building stronger communication skills is by embracing the principles of applied improvisation. Your host is Peter Margaritis, a CPA a.k.a. the Accidental Accountant, and he will interview financial professionals and business leaders to find their secret in building stronger relationships with their clients, customers, associates and peers.

Peter Margaritis: [00:00:58] All the while growing their businesses. So let's start the show.

Peter Margaritis: [00:01:06] Welcome to Episode 37. My guest today is Ralph Cano, who's the CFO and a member of the board of directors for Wade Trim, an almost 100 year old engineering firm. Ralph believes financial strength enables his firm to maintain a business operations while pursuing growth opportunities. He works to manage Wade Trim's financial risk by balancing the demands of internal operations with governmental regulation compliance.

Peter Margaritis: [00:01:34] He believes in the ethical and timely reporting of financial information and maintaining a diverse capital structure. Ralph creates value through effective financing, measuring company performance and guiding Wade Trim's strategic decision making for fiscal success. Ralph has worked in the consulting engineering industry in a finance role for over 20 years after beginning his career in public accounting. He has a bachelor of accountancy and an M.S. in finance from Walsh College of Accounting and Business Administration. He is a member of the Michigan Association of Certified Public Accountants, the American Institute of Certified Public Accountants, the Institute of Management Accountants and the American Consulting Engineering Council, and he's on the Finance Committee. Our discussion begins

around exploring what keeps a CFO of an engineering firm up at night. If you're a financial leader in any profession, you'll recognize these issues that keep Ralph up at night. Before we get to the interview, Change Your Mindset as part of the C-Suite Radio Family of podcasts. It is an honor and a privilege to be amongst some of the more prevalent business podcast, such as The Hero Factor with Jeffrey Hayzlett, Amazing Business Radio with Shep Hyken, and Keep Leading with Eddie Turner. You can find Change Your Mindset and many other outstanding business podcasts on C-Suite Radio by going to www.c-suiteradio.com.

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Peter Margaritis: [00:04:00] Now let's get to the interview with Ralph Mercado.

Peter Margaritis: [00:04:05] Hey, welcome back, everybody. I'm excited about my guest today. First time I met him was through an e-mail that the IMA sent me because my guest actually attended one of my sessions at an IMA conference.

Peter Margaritis: [00:04:22] And I actually took this as a as a compliment because usually everybody has an idea of my last name, you know, margaritas or martini or something along the lines.

[00:04:31] The e-mail that I got from the IMA said, this gentleman said in your session, he remembers the course, he remembers the title, but he doesn't remember your name, which was such a great compliment that the material must have been, you know, damn it was good because he remembered it but he forgot my name. So I'd like to welcome to the podcast Ralph Picano and, who is the CFO of an engineering firm, and, one, I know you're busy. I appreciate you taking time. And I'm looking forward to our conversation today.

Ralph Picano: [00:05:05] It's a nice diversion. Appreciate you taking me away from my time.

Peter Margaritis: [00:05:10] Hopefully that doesn't mean you have to stick around later tonight in order to make up the time that you would have.

Ralph Picano: [00:05:18] I'll figure it out.

Peter Margaritis: [00:05:19] As a CFO, I want to start off with one very simple question. What keeps you up at night?

Ralph Picano: [00:05:28] Well, do you think that's simple? But it changes and that's good. It's good that there's a variety in life. I can tell you that I come in and each day is a little bit different here. And, you know, so whatever the issue is at that point time, which ultimately is the one that keeps me up at night. But you know, this industry, we, we, we bill hours we're a service industry and people are working on projects and doing a good job. And we're able to charge our clients to create value and, and give them a reason to pay us then that everything is good. So the fact that our largest expense in the company itself is payroll means that that expense category is the one that's going to keep you up at night. And utilization is the term we use in this industry where employees are charging or I should say it's their billing to projects or charging projects, then we're

getting utilization. Utilization is the, is probably the most important metric that we deal with, at least currently in this industry. And so with payroll being our largest expense category, if we're able to manage that appropriately and we can be successful, but if we're not, then that becomes very problematic. And so in times when when we're not able to to get our backlog to the employees and get them on projects, you know, we're not we're not gaining the contribution margin that we'd like or the profit that we'd like in our business. And that creates challenges within the entire enterprise. So that's what keeps me and the management team, certainly these days, that's what's keeping us up.

Peter Margaritis: [00:07:23] So define utilization for me in your world.

Ralph Picano: [00:07:25] Utilization can be measured in two different ways. One would be in hours and one is in dollars. And effectively what that is, is if the employees time, if they're charging their time to an outside client, billable client, then they're utilized, or as it's considered chargeable time, and that's the numerator in the equation. The denominator is the total dollars, total hours that employee is working. So utilization and the range for an operations individual at 70 percent or so is about where, typically, you want to.

Peter Margaritis: [00:08:05] I understand. So if basically it sounds to me, kind of, in a nutshell, what keeps you up at night, are people?

Ralph Picano: [00:08:15] Sure.

Peter Margaritis: [00:08:17] The people aspect of the job and, in order to be profitable, in order to make it to get those projects done in a timely manner, one, you have to have a workforce that shows up. That part's not a problem. But what about morale within the organization? And how does that, does that have an effect? And you mentioned before we started recording, you've got a major project that's going on that you have to have done by October. And that could affect morale within the organization or hours spent and you're implementing, is it an upgrade or a new ERP system?

Ralph Picano: [00:09:01] It is, it's an upgrade, but it's to an entirely new platform. So it's almost like it's a brand new system.

Peter Margaritis: [00:09:08] And you know what ERP stands for, don't you?

Ralph Picano: [00:09:12] Wait, I did hear this before, but I can't remember. What?

Peter Margaritis: [00:09:16] Entities Reoccurring Problem. Yes, it's always a challenge. And rarely is not the right word. But there's always some hiccups. There's always stuff that's going on that causes the team to have to work later hours than anticipated. And then that puts additional strain on the organization, especially if we've got to hit this deadline. So that goes into that whole utilization hours. And even from an overhead perspective, you're trying to keep your team motivated and deal with this. And hopefully the engineers aren't getting frustrated by all of this that's going on at the same time and then it just kind of manifests itself.

Ralph Picano: [00:10:00] Yeah. Yeah. That's a great point. The timing of this on this conversion is a little bit unfortunate. So we we've been, the company has been growing and we've instituted quite a few initiatives in recent years. We brought on a safety manager. We have a branding manager, a training manager, and we have a lot of really cool things going on here. But they're taking away a lot from from the operations side. And then working on chargeable projects. And it's all good and everybody's busy and the profit is good. No one is saying anything. But in recent months, that hasn't been the case where utilization is lower. And here we find ourselves in the second half of the year, we've got a little bit of an uphill climb to our profitability goal. And so suddenly the focus now is, "Hey, let's back off some of these non-chargeable initiatives and let's get back on projects." And I'm dealing with this ERP conversion where, you know, it's our backbone. You know, this is the software that runs the company. And we need to make sure everyone is properly trained at it when we go live and hit that switch, and we have some constraints as to how we can get there with, you know, with the restriction of time on our operations side. So, you know, my crew has been doing this for a couple of years. The I.T. staff, accounting, really been working hard on getting this conversion in place and understanding the system. And most of us are salary and most of us are

non-chargeable, so that's not so problematic to the company profitability. But now that we've got to roll it out to the other side, to the operations side, and there's this whole sensitivity of non-chargeable time that is really creating creating a challenge. So you asked what keeps me up at night, if you were to ask me specifically today, here in, you know, late summer 2019 and it's this ERP conversion hands down. So that's where we're at today.

Peter Margaritis: [00:12:12] But without it, like you said, it's the backbone. It's what really runs the organization. So, and if it takes a little more, it takes away from those chargeable hours cause now they're non-chargeable in order to get this running properly. And with that concern of, it's later in the year and the year end is coming. Are you on the calendar or fiscal year?

Ralph Picano: [00:12:34] We're calendar.

Peter Margaritis: [00:12:36] And so December's creeping up. So there's that added pressure. But is there another way of looking at it going, ok, so we have to get this right. I mean, if it's the backbone, we got to get it right. So we might ultimately have to take, I hate uttering these words, but we may have to take a little bit less in profitability in order to get it right. But that investment that we're making into that this year should wash itself. And then some next year when the system is up, fully running, in sort of a mature state.

Ralph Picano: [00:13:13] That's right. That's the ultimate outcome. You know, we know we're moving to this platform because it's providing a lot more visibility to the project managers. It's going to make their ability to run projects be that much more improved. So, you know, there is a benefit that we'll reap at some point. But it's hard to see that where we're at today. So. So I think the answer is, the answer is somewhere in-between. Right. We got to be as efficient as we can in rolling out this training, minimize the non chargeable time, yet effectively train our staff.

Peter Margaritis: [00:13:47] Right. And there's an organization that I did some work for and they rolled out these communication initiatives on how to better communicate within

the organization. It was a really large organization, but they rolled these tools out, you know, even from like Windows 365 and some version of Slack, and these, a variety of project management, you know, technology pieces to this group. But they never trained them on it.

Ralph Picano: [00:14:21] They didn't communicate properly, did they?

Peter Margaritis: [00:14:24] They gave them the tools. But they didn't show them how to use the tools. And it was a, literally, somewhat of a train wreck there for a while until they could untangle themselves. I mean, just because we give you the tools. There's a lot of training that goes on. So you know how to use it. And it's not, "Here's a manual," because, you know, if it's a guy, we're not going to read a manual. We want pictures or we're going to figure it out ourselves unless somebody is there to walk us through it. Right. Yeah.

Ralph Picano: [00:14:55] I have the experience.

Peter Margaritis: [00:14:56] Yes. So the size of the firm. How many professional staff do you have any sense of from the engineering world?

Ralph Picano: [00:15:04] We have, considered professionals, roughly 300.

Peter Margaritis: [00:15:07] Now 300. Located in just one location, or?

Ralph Picano: [00:15:13] We're headquartered in Detroit, but we have offices in ten different states now, we have 20 offices in total. I'm, today I'm sitting in our in our largest facility here in Taylor, which is a suburb of Detroit.

Peter Margaritis: [00:15:28] OK. Where do you find your talent? What do you, how do you recruit?

Ralph Picano: [00:15:34] That's been a challenge. Yes, sure. All of your listeners can attest to. We have had, we've really had to bring on, particularly for the higher, higher

level professionals. We've had to bring on recruiters that are specific to the industry. And, you know, search high and wide throughout the country to find the right talent. It's a challenge. And that's, it's not inexpensive.

Peter Margaritis: [00:15:59] No. But, also, do recruit out of the universities?

Ralph Picano: [00:16:03] We do. We do. And our CEO has been adamant about making that a priority. Our managers are very, are oftentimes very sensitive to adding staff. And if you don't know what your needs are going to be eight months in the future, you're more tentative in making a hiring commitment and, you know, to get the university, the best of the universities to attract students. You got to get them in October. Right. When they graduate in June. During recruiting season. Andy McCune, our CEO, has been very adamant on telling managers that you're going to extend offers in October. You're going to hire em in June. Even though you don't know what you need at that point. Just we need that staff.

Peter Margaritis: [00:16:50] And talking to a friend of mine who's the CEO of a engineering firm in Lexington, Kentucky. He mentioned something about there's a hiring scarcity out there for talent in the engineering world. And the way he explained it was, so we've got a lot of this younger talent in and they kind of have, they have a little bit more leverage against, with management, than maybe in the past, because of the scarcity that's out there and it's almost to some degree like, "You need me more than I potentially need you."

Ralph Picano: [00:17:30] That's accurate. We're experts in that. And the impact of that is that, you need to start adjusting wages for those who are a little bit higher. Who've been with the company a couple of years longer or maybe a little bit older and more experienced. And so you have that cascading impact of increasing wages across the board.

Peter Margaritis: [00:17:54] So when we talk about bottom line there just a few minutes ago? I mean, in talking with him. That was one of the things that keeps him up at night is the ability to find the right people to come and do the right jobs. And be dedicated to

their job and not be so sensitive that if this, something doesn't go my way, I'll just go find something else.

Ralph Picano: [00:18:18] Right.

Peter Margaritis: [00:18:20] And the other thing that he mentioned to me that that keeps him up at night is, well, he's an engineer and now he's CEO, and he's not an accountant. He never wants to play one on TV, but he's had to learn being in that role and understanding the numbers a lot better than he did when he was a project manager. But then he also realized that the project managers have no idea how profitable the organization can be or their world is because they're so focused on their project, but not understanding what the revenue comes in from. And also the expenses, because still in business, you know, I'm going to I'm going to buy it here, but I'm going to market up to here in order to make that profit. And it's something that he struggled with and getting those engineers to understand the basic accounting side. And then when you say, I know you say accounting to engineers, they just shut down.

Ralph Picano: [00:19:22] Right. Right. Actually, that's that's one of the reasons, too, that we're making this conversion, is that the previous version of the software is very accounting centric. And so engineers weren't able to, or always felt it was an accounting application. The new version is more project manager centric, so it's more dedicated towards what they do.

Peter Margaritis: [00:19:44] Oh, OK.

Ralph Picano: [00:19:45] That should be a good thing. But I completely agree. And it's been that, since I've gotten into this industry that I've been amazed at the fact that these are some of the brightest, smartest people I've ever met. And you just assume that they understand the concept of profitability. But a lot of them are, some of them are outstanding and they do, and others are just so passionate about what they do and want to do a great job for the client, which bodes well for us, right?

Peter Margaritis: [00:20:14] Right.

Ralph Picano: [00:20:15] You know, but they don't always, they don't always completely grasp the whole nature of profitability and how we are successful at having that profitability. So education is important there as well.

Peter Margaritis: [00:20:31] And it takes me back to my days when I was a banker and I was a lender and lenders were bonused on the gross amount of the loan, which I thought was ridiculous. So we've got, we had lenders out there making deals and basically giving the business away. But they were thinking about their bonus and accumulating those bigger dollars, when I always said we should be bonused on the amount of profitability that we get.

Ralph Picano: [00:20:58] That's right.

Peter Margaritis: [00:20:58] But even the lenders who had somewhat of an accounting/finance/numbers background, maybe not as deep, just would never understand and would never grasp or whatever. And to me, it was just, I can't. And this is before I got into the accounting profession. I just never understood it and it's the same thing with engineers, probably even with architects, and those highly technical fields that do great work. But there's still the semantics of. The accounting world.

Ralph Picano: [00:21:30] Yeah, yeah. Your bonus comes from somewhere, right? It doesn't come out of thin air. Yeah, it's amazing. You know, we accountants and engineers are kind of lumped together often with being, you know, we're all geeks. Right. And one of the other things that I've learned in being in this industry is that, I'm getting off of the profitability side here with this comment. But, one of the, you know, you have this perception that engineers have, you know, the black socks and the tennis shoes, and they're the geeks, but one of the things I've learned in this industry is these guys are very personable, very, I mean, they have, their job is to convince others and to be collaborative and to, you know, communicate. And so, they're not geeks, they're not geeks. Us accountants got them easily beat in geekdom.

Peter Margaritis: [00:22:34] When I think of engineers and accountants, until I started understanding the engineering world a little bit, after I kind of had an idea of how they think, I wish that I'd have taken more engineering classes because accountants look at things as how much is it cost? Right. Engineers look at things that can I make this better? And that's the part of their mindset that just blows me away, is that when they look at things, they're not looking at what it cost, they're going, how can we make this more efficient? How can we make this better? How can we do this differently to make our, obviously, our client happy? But that's how they work and they're not processing, well, this is costing us this much.

Ralph Picano: [00:23:19] Right. Right. And they're just smart. They're smart people. And, you know, ultimately, they're making the world a better place.

Peter Margaritis: [00:23:27] Ultimately, yes, they are making better place and safer. Right. I think about that when I cross a bridge and I'm going, "I hope the thing is structurally sound." You know. And I'm in an elevator going up 30 flights, 30 stories and going, "Okay. Somebody had to design this. And hopefully they took all the continuing education courses in order to make this thing a solid." But there's gotta be a way. Well, I know there is a way. It's just, how do we communicate that information? Oh, the importance of the, having the business acumen, to engineers, to have a better understanding of the organization, and how it operates financially.

Ralph Picano: [00:24:12] You know what? One thing we do here, which I think helps, is we try to be as transparent as we can with our financial results, with our staff. And so on a monthly basis, there's six metrics, six or seven metrics that that we continuously measure and we put them on the bulletin boards in all the offices. So there'll be a chart indicating what our results were in the various metrics. And then a little, just a short little commentary that I write each month. And so it's visible to everybody. Everybody can see how well the company is doing or areas where we need to improve. And I think, inevitably, that rubs off and they have an understanding of how things run and how profitability is achieved through those metrics.

Peter Margaritis: [00:25:00] By doing this, have they started asking more questions?

Ralph Picano: [00:25:05] Some do, some do. I mean, we were doing it for a number of years. So, you know, the questions may may have been more, there may have been more questions early on, but yeah, they generally, periodically, we'll get some questions.

Peter Margaritis: [00:25:18] And the response back to them, do they understand or have some grasp or they're going, OK, and they walk away going "I'm still not sure."

Ralph Picano: [00:25:30] Most walk out of here with, I think, understanding. And you feel that they're, you know, react accordingly if there is a way that they should be reacting, I don't know, once they leave my office, what happens. But when they leave here, it feels that way.

Peter Margaritis: [00:25:50] There was an engineer that was, excuse me, there was a CFO who worked for an engineering company in the Pennsylvania area. One of my courses. And at some point he says, "I learned to be a translator." I said, "OK." I knew it was going. But the rest of the class wasn't quite picking up on it. "Tell me about your translation." "Well, I've got to take financial numbers and then I have to translate it so that the CEO understands what I'm also saying. I also have to learn, I've had to learn engineering. The language of engineering, to be able to translate that into financial to be able to translate that. I'm multilingual." I know English. I know accounting. I know engineering. And we all think about that. You know, these professions that we're in. We do, we all do speak a foreign language to those who are not, you know, in that same industry. But we tend to think that even though you're the CFO in this engineering firm, that you should understand engineering and probably now as many years as you've been doing it, you have a much better understanding. But in those early years.

Ralph Picano: [00:27:07] Don't ask, don't ask me questions about engineering stuff.

Peter Margaritis: [00:27:11] I had very little in that engineering world. But over time, you've kind of, you've been able to translate, have a better understanding where they're coming from. But they didn't sit down and say, "OK, now, Ralph, I know you don't have

an engineering degree. We do. We've got like thousands of hours more than you have. So I'm going to take my time and explain engineering to you." That didn't happen.

Ralph Picano: [00:27:31] Right. That's true. Right.

Peter Margaritis: [00:27:34] They just came at you with guns blazing and just going. I'm sure you understand this because you've been employed here at this engineering firm and you have no idea what they said.

Ralph Picano: [00:27:45] Yeah. And the industry is changing. And I don't know if you're if your friend, who's the CEO of the engineering company has expressed this to you. You know, you talked about when you cross the bridge and hoping that that bridge won't fall apart. You know, a lot of our funding is public funding, right, to fund the projects that we that we work at. And, you know, the public, it's not sexy stuff. It's infrastructure stuff. Right? So it's tough to get the public or to get the lawmakers to approve or to allocate funds to these projects, which we all feel, we all know, are very important. But they're just not front and center, you know, and that's problematic in our industry as well. If you talk to any of those in the know, they're going to paint a pretty bleak picture as to the status of our bridges and our roads, up here in Michigan the roads are horrendous. And, you know, there's a lot of funding. We certainly are in need of a lot of funding. But, you know, where is it going to come from.

Peter Margaritis: [00:28:59] Yeah, well, that's a very good point. And thinking about that, the infrastructure and where those dollars ultimately come from and who does the work for the US government or the state of Michigan or whomever and where that money is. But it's a necessity that we need, but you're right. And you know. We've known this for a while. The infrastructure is not in great shape. And here in Columbus, one thing I have noticed more lately, I mean, we've gone through orange barrel seizing and we're still into it for a little while. But I've seen more other types of infrastructure projects going on with our roads. One in particular, 270 which goes around the city, they're doing a major construction project to put an HOV lane in. And because they're gonna put the HOV lane in they've had to kind of help fix everything else associated with that. And so I'm starting to see more of these types of projects,.

Ralph Picano: [00:30:10] And bike lanes as well.

Peter Margaritis: [00:30:12] Yes. Bike lanes. I love it. I love riding my bike. But I rarely ride it on the road just because the, you know, there's too many stories out there. But yeah. He didn't mention that, but I know that his firm does a lot of work in the government sector and that's, that in itself, if I had a large piece of my business in that industry or relied upon the U.S. government, I don't know if I would sleep at night.

Ralph Picano: [00:30:46] Yeah, yeah, yeah. It's you know, there's so much that we don't even see. You know, we in the public general public thinking, you know, we don't see what's underground. We don't see the status of the of the condition of the pipes. You know, the energy grid, you know, that type of thing. There's so much out there we don't see. But it's out there and it's, there is issues and, I don't know. Hopefully there will be no major catastrophes that force us to pay more attention to the funding of these things, but.

Peter Margaritis: [00:31:21] Unfortunately that's usually what happens in order to get the attention, which is the wrong piece. It's that, right now, we're probably living in the equivalent of BlackBerry. If you think about BlackBerry, they were the be all and end. All right. They were the communication expert and they got, they became very complacent at what they were doing. And next thing you know, the catastrophe happened. Here comes Apple. And they never really took Apple serious. And ultimately, it took that to wake them up. By the time they woke up, it was too late. So that's true. I didn't think about that. But that's very true that we had to figure out a way to fund in order to keep the infrastructure, as, you know. And I travel a lot between trains, planes and automobiles. Yeah, it's kind of scary. I appreciate that.

Ralph Picano: [00:32:18] Sorry to put the doom and gloom on you.

Peter Margaritis: [00:32:24] Oh, no worries at all. But it is. I'm glad you raised that point, because we don't think about that because it's there. And we think about it. We

think about it when a major hurricane comes through and knocks out the electricity or knocks out the roads or, you know,.

Ralph Picano: [00:32:44] Up here in Michigan, the Flint water crisis, right.

Peter Margaritis: [00:32:47] Right.

Ralph Picano: [00:32:47] Everyone's heard of that.

Peter Margaritis: [00:32:49] Exactly. Yeah. And then we wake up, by that time, to some degree, it's too late. So as we begin to wrap up. There is one area I do want to broach real quickly. And in your world, you mentioned about the ERP, but how has technology began to affect your world?

Ralph Picano: [00:33:09] Yeah, I was going to comment on that even without you asking, as we're talking about profitability and this has been a drain on it. So as I mentioned earlier, we, you know, we're a people industry. We charge clients for the labor, the services that our employees provide. But more and more technology is becoming part of that service. And you need the technology to provide that service to the client. And what we've experienced here is that the technology cost on our PNL and our capital expenditures have been rising quite a bit in recent years. And the industry is still used to hours and dollars. And so, you know, people working hours, not necessarily the equipment or the technology that they're using. So the struggle is, now that we have the technology, you need less time to do the same job for the client, but we're still charging the client on hours. So we've got to, we've got to get used to or we've got to change that model to reflect either. And we've been we've been trying to do this. And we've been relatively successful in charging for rental or, you know, other costs, non labor costs associated with completing the project, or basically just provide or just charging for the value that the client gained regardless of how many hours were put on the project. At what rate. It's just the value that the client has gained. Just do the whole mix of engineering services and technology. So that's that's a model we're kind of still evolving.

Peter Margaritis: [00:34:59] Yeah. Funny you should mention that because I've heard that even in public accounting firms, this technology, we're not having to go out and do the audit per se, and get, you know, a conference room. We were able to take the GO, throw it into a, some type of artificial intelligence. Out comes, you know, these are the areas you need to look so that a lot of time has been cut. So what does that do to, but, how do we price it now?

Ralph Picano: [00:35:26] Right.

Peter Margaritis: [00:35:27] And do we, but to your point, we've done it quicker, but we've had the investment into the technology that we still need to recoup. So that's that's a mental exercise that can hurt in trying to figure that out.

Ralph Picano: [00:35:46] And trying to convey it so that the client understands.

Peter Margaritis: [00:35:50] Yeah. How do I explain to the client that we got it done quicker, much more efficient, but the price really didn't come down, right? It's that it's, yeah. We can look at the same thing in healthcare. I mean, we're doing more with technology and health care than ever before. The prices haven't come down because we forget about the investment into that technology and what it cost. And we still need to recoup that cost.

Ralph Picano: [00:36:19] Somehow health care pulls it off.

Peter Margaritis: [00:36:23] Yeah, not well. Yeah, you're right. Other professions are struggling with that. But it's really just the same thought process. Yeah. Yeah. I admire CFOs for the vast knowledge that they have. Because I would, I'm going to make this assumption. As a CFO, you not only have finance and accounting reporting to you. Who else reports to you?

Ralph Picano: [00:36:54] I have administration reporting to me. I don't have human resources or I.T. They report to the CEO. Obviously, I was very close with those groups though.

Peter Margaritis: [00:37:05] Right. OK. So, yeah, I had other CFOs have had I.T. and or H.R. Oh, really? You have an H.R. background. So I qualify and they laugh. I'll go, I've had to learn it, and I had to get it, you know, obviously gain a better understanding of it. And when I speak with CFOs I have the utmost respect because I can't, I don't know if I could ever do that job or I want to, but the number of balls that you have to juggle on a daily basis and then still go home to a family and have a good night's sleep. It's a tough job.

Ralph Picano: [00:37:40] It's rewarding. It's good to be relevant.

Peter Margaritis: [00:37:43] It's good to be relevant. And speaking of being relevant. Since you mentioned, I had to have all the admiration. Before we started, I noticed something on Ralph's desk that, tell me if I'm right. He still has his ten key on his desk, folks. I know. I know. Anyone who's listening who's an accountant, who's a CFO, they go, "Well, what's wrong with that? We have ours on our desks as well," right?

Ralph Picano: [00:38:09] Well, I mean, I told you, Peter, that I also have the painted rock from my daughter when she was in kindergarten on my desk as well. So I have two paper holders here.

Peter Margaritis: [00:38:21] And by the way, how old is your daughter now?

Ralph Picano: [00:38:24] That daughter is now 22.

Peter Margaritis: [00:38:26] Oh, wow.

Ralph Picano: [00:38:27] I have a 22 year old and an 18 year old.

Peter Margaritis: [00:38:29] Congratulations.

Ralph Picano: [00:38:30] Thank you.

Peter Margaritis: [00:38:31] One's off payroll, one's almost?

Ralph Picano: [00:38:34] No, they're both still on payroll.

Peter Margaritis: [00:38:40] I appreciate your time. I appreciate your candor and this conversation. It's been fun to get to know you. And I'm looking forward to seeing you in September in Denver. And actually, in a much more relaxed environment, especially at the Rockies game.

Ralph Picano: [00:38:58] Yeah, it'll be fun.

Peter Margaritis: [00:38:59] And then the next day when I'm presenting you, you're free to heckle as much as you would like.

Ralph Picano: [00:39:06] We appreciate you coming out, Peter, we're looking forward to having you.

Peter Margaritis: [00:39:10] I'm looking forward to getting there, sir. Safe travels out to Denver. I hope by that time the ERP project is maybe getting close to winding down. And you can have a couple nice evening sleeps that you might not have when you're at home and in the office. Thank you again. I look forward to seeing you in September.

Ralph Picano: [00:39:35] Thank you, Peter. See you in September.

Peter Margaritis: [00:39:39] Now that you've listened to this episode, what will you do to ensure that you're handling all of your employees challenges in a way to ensure the organization's profitability? Remember, you're in the people business first and foremost. If you treat your people with respect, they will treat their customers and clients with the same respect that you have shown them. Thank you for listening. And if you enjoyed this podcast, please subscribe and share this episode with a friend. Also, please visit www.c-suiteradio.com to listen to many of the excellent podcasts that they have in their network.

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