

Smarten up state spending

When people spend other people's money, they can be less than finicky. And so it seems with workers at the state of Oregon.

For instance, the state bought 23 Xerox printers for \$1,461.78. A state audit found a better deal that could have saved the state more than half that amount.

The state bought 58 copies of some statistical software for \$12,694.42. A state audit found a better deal that could have saved \$6,079.52.

And the state bought four licenses for some database software for \$119,649.11. The same state audit from December 2018 found a better deal that could have saved the state \$107,017.51.

Yikes.

Those are egregious examples. We did pick them from the audit to highlight the shocking savings that the state could have made if it spent money more carefully. Of course, state workers may not always have the time to seek out a great deal on every purchase, and state purchasing requirements can interfere with getting the cheapest price. The state audit found, though, the state could have saved between \$400 million and \$1.6 billion during the 2015-17 biennium based on \$8 billion in procurements during that time.

We'd like to be able to tell you that's all fixed now. We can't. But we can tell you the

state is moving in what could be a positive direction in one area — purchases by state and local governments that are too big to put on a credit card.

The state has a contract with Periscope Holdings, an Austin, Texas, company, to build a new statewide procurement system, according to *Governing* magazine. The platform called OregonBuys Marketplace is scheduled to gradually go live across government in 2020. There are similar systems in Illinois, New Jersey and Massachusetts. If it works right, it will replace what's called ORPIN, which is the system the state and local governments use now.

Buying stuff for the state gets complicated, because there are many legal requirements. The hope is that the system will keep that in the background and government workers will be able to shop for goods more easily. It will automate a lot of the work. It might make it easier for smaller vendors to compete for state dollars. And the state should be able to better track spending and purchases and manage that data.

Will the cost of the OregonBuys be recouped in savings? We hope so. Will it fix the fundamental problem that people aren't as careful when they spend other people's money? No. But it should enable the state and the public to better monitor it.



"MUST BE THE MEDICARE OPEN ENROLLMENT WINDOW."

GUEST COMMENT

Are your books in order?

It's hard to believe, but the end of 2019 is nearing, and business owners have multiple items to address.

One of the most important things owners can do is make an appointment with their tax professional now — before tax season — so they won't be surprised by an unwelcome and hefty tax bill. If given enough time, an accountant can advise whether additional allowable business purchases can be made to reduce any tax liability.

For an accountant to accurately assess the finances of a business, the books must be in order. It can be a very easy task if income and expenses have been entered in a regular and timely manner. If not, the owner has a big job ahead, and it may be very wise to hire a bookkeeper as it essential for this to be completed right away.

Thoroughly evaluate financial statements which include the following three common documents. If unsure how to generate these or interpret the information,



Greg Smith

ask the accountant for assistance. Reviewing this information should occur on regular intervals instead of just once a year so adjustments can be made, helping to ensure profitability and growth.

• Balance sheet: This includes business assets, liabilities and equity and provides a snapshot of how the business is doing at a specific point in time.

• Income statement: Is the business profitable? The income statement itemizes expenses and revenues and quickly tells the owner if the business is showing a profit or loss during a selected time period.

• Cash flow statement: An illustration of how money is flowing in and out of a business from operating activities (income and expenses) and assets purchased and sold.

It is also not too soon to begin planning for 2020. If you have a

business plan, spend time reviewing it and ask whether it accurately summarizes the objectives with specific plans and budgets to achieve stated goals. Perhaps there are new opportunities on the horizon that will necessitate a change in operations, additional key employees or financing. On the other hand, if there is no business plan, now is the perfect time to create one. There are many online resources available, and capable business advisers at a local Small Business Development Center can assist.

Benjamin Franklin is often credited for the following quote, "If you are failing to plan, you are planning to fail."

Small business owners should take that to heart.

Greg Smith is the director of the Eastern Oregon University Small Business Development Center, 1607 Gekeler Lane, Room 148. To schedule an appointment for free, confidential business advising, call 541-962-1532 or email eousbdc@gmail.com.

GUEST COMMENT

The small business experience

As online shopping has steadily grown during the past decade, brick and mortar retail businesses have been looking at new ways to address this shift in consumer behavior.

In an attempt to convert some of those "clicks" back to "bricks," experiential shopping has become the latest trend and marketing technique for traditional retailers. Experiential shopping can take many shapes — a focus on consumer engagement over sales, creating an experience to share with others or offering other services beyond the products sold, to name a few.

But for most small, mom-and-pop businesses, this is simply business as usual, and has been for generations. Small businesses are the original experiential shopping experience. There are no new marketing techniques at play — just an authentic, local and personal shopping experience.

That is why the #ShopSmall movement is so important. It reminds us of the importance of spending our dollars in the establishments that power our economy, benefit our communities and enrich our lives.

Small Business Saturday will celebrate its 10th anniversary on Nov. 30. The movement is set to



Jeremy Field

build on a decade of success and rally even more communities to come together in support of small businesses.

Last year, a record estimated \$17.8 billion was spent on Small Business Saturday at independent retailers and restaurants, momentum I urge you to continue by shopping small this holiday season.

Supporting Small Business Saturday doesn't have to be a choice between "clicks" or "bricks" either. More and more small businesses are bringing their local and personal touch to the convenience of online shopping. In fact, 41% of consumers who reported participating in Small Business Saturday last year did so by shopping small online.

There are nearly 378,000 small businesses in Oregon, and more than half of the Oregon workforce either is employed by a small business or owns a small business. Plus, two out of three net new jobs are created by small businesses.

Spending your dollars with a small business this holiday sea-

son not only grows the economy, it typically comes with a great story to share: the artist who handcrafted a piece of jewelry, the father and son who decided to take their barbecue rub recipes to market, the corporate professional who got burned out and decided to pursue a passion for pet care — they are the people who naturally create experiential shopping for consumers simply by being themselves.

This year, the SBA Portland District — which serves Oregon and southwest Washington — will participate in Small Business Saturday by doing Main Street business tours with mayors in Lincoln City and Tillamook, connecting businesses with holiday marketing resources, and getting the word out to #ShopSmall. I invite you to join in participating in Small Business Saturday and create a memorable experiential shopping experience for you and your loved ones this year.

Jeremy Field is the regional administrator for the U.S. Small Business Administration Pacific Northwest Region, which serves Washington, Oregon, Idaho and Alaska. The SBA empowers entrepreneurs and small businesses with resources to start, grow, expand or recover.

LATIN IS A DEAD LANGUAGE - IMPEACHMENT EDITION...



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