

## Business Advisory Letter

### Editorial

#### We're on the web!

We have always embraced technology. Over the years we have invested extensively in computer hardware and software to increase our efficiency, expand our service capabilities and enhance our knowledge. We have committed ourselves to maintain a near-leading-edge position in the use of technology for the betterment of our operations. That commitment is embedded in our Mission Statement.

A website has been on our radar screen for some time. It has not, until recently, made our top ten list. We have been engaged in any number of strategic projects having a higher level of importance than a website. That being said, the website project did finally transcend from concept to action plan.

At this stage of its development our website is primarily for communicating the accomplishments and undertakings of our Firm. We display our Mission Statement on the Home page to demonstrate the commitment we have towards our clients, our team and our profession. Click on the Services link and you'll see that we are capable of guiding our business and agriculture clients through every stage of their business life. Our Team takes centre stage as the site provides dossiers and e-mail addresses for a quick point of contact. The site helps us to demonstrate our depth as we present our Specialty Service Groups and the people who hold these valuable skill sets. The companies of Integrated Business Professionals are also profiled here.

Our Clients are quoted as they offer a few testimonials about their relationships with us, and we list the numerous industry sectors in which our clients operate. The Resources section contains copies of our past Business Advisory Letters as well as individual articles on topics of interest to our clients. As it is intended, VMSW is dressed for success as we make our presence known in cyberspace.

Credit for our website goes to our Marketing Coordinator, Jessica Losier. While already having a talent for structure and layout, Jessica had not yet been initiated into the wired world of web design. As in anything she undertakes, Jessica seized this opportunity with enthusiasm. She researched, took courses and experimented. She has now implemented three websites; People Management Group, Green Financial Group and VMSW. Well done Jess!

Our website will be under constant evolution. There are many ways in which we can deliver value to our clients through this medium. Watch for innovative new ideas as our Website Committee releases its creative capabilities.

Check us out on the web at [www.vmswca.com](http://www.vmswca.com). You may learn something about us that you did not know before. ♦

*Brent VanParys*

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**VANPARYS MICACCHI  
SHIPPEY & WARNICK LLP**  
*Chartered Accountants*



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an alignment of core business advisors

VMSW IS A MEMBER OF

Brent VanParys represented VMSW at a recent Farm Credit Corporation forum on Family Farm Strategic Business Planning. Farm family members participated in this workshop designed to help them plot the future strategies of their operations. The forum was lead by various experts in strategic planning and farm business management.

Jessica Losier attended a recent Centre for Family Business (CFFB) event on Narrowing the Generation Gap. The event was about ensuring your business will continue through generations. CFFB members focused on the sensitive issues facing "Next Generation" family business members. Panelist discussed Leadership Transition, and Professionalizing Family and Business Relationships. For more information about CFFB visit their website at [www.familybiz.com](http://www.familybiz.com).

#### ***VMSW continues its commitment to the community!***

The Annual Woodstock Big Brothers Bowl-a-thon "Hollywood Presents Bowl for Kids 2003" event was held on February 19th, 21st and 22nd at Woodstock Bowlerama lanes. A team of 12

VMSW employees and family bowled their hearts out for the charity event. The leading money raisers were the newly wedded Greg and Laura Bruce who had a combined

 **Thin Clients Help IT Budgets**

"Thin client" computers have long been considered the next generation of computing, but thanks to improved networking software and competitive pricing, thin clients are rapidly catching on in a variety of industries. According to IDC research, worldwide thin client shipments grew by 18.5 per cent in 2002 compared to the previous year.

A thin client looks much like a standard PC workstation (also known as a "fat client"), but it's actually a simple terminal. Thin clients use the network to access data and applications from servers rather than storing information at the desktop.

Today's PCs offer incredible processing power and storage capacity, but this can be inefficient in offices where inexpensive servers can handle this work. Some IT managers believe it's like putting air conditioners in each room of a house that already has central air.

The main reason cited for implementing thin clients is cost and ease of administration. Industry case studies show that thin clients require fewer staff to manage more machines, significantly reducing the total cost of ownership (TCO) of IT. All applications are installed on and run by the server, so when new software comes out it doesn't need to be

total of over \$500. Greg was also a team captain and had a friendly rivalry with Ed Lamers, the other team captain - Greg ended up buying lunch for his poor bowling efforts. Everyone attending had a good time and we are looking to next years event!

#### ***We welcome several new people to the firm!***

Mary Anne Kestle brings her background in personal income tax and bookkeeping to the firm for the tax season in the Woodstock office.

Peggy Rayner has also joined the Woodstock office to help with the volume of clerical activity this time of year.

Melissa Strickler working with in the Ingersoll office on a co-op placement from Ingersoll District Collegiate Institute. She will be continuing her education at a post-secondary level in the fall.

The Norwich office is taking advantage of the Co-operative Education Program at Norwich District High School. Jeff Kemp is placed with us until June, 2003 for a few hours a day to gain some insight into our profession (and to do whatever we tell him).♦

installed on each computer. Companies that have multiple locations and require remote access can handle software issues without making onsite calls. Thin clients also tend to last much longer than fat clients because they have less internal hardware. With all data processing and storage taking place at the server, no data is lost if a device fails or is stolen.

In terms of performance, thin clients display the user-friendly interface of personal computers and run the same applications. In fact, software is available to run standard PC's as thin clients, thereby extending the life cycle of near-obsolete PCs. Thin clients can be limiting for those using high-end desktop publishing or software development programs, or for users who travel frequently and do not have an Internet connection. For this reason, it's common to maintain a mixed environment of thin clients, workstations and laptop computers.

Thin clients cost less than fat clients to purchase. Implementation costs depend on the current infrastructure, the number of users, and the applications they access.♦

*Brad Bembridge, Oxford Technology Group*



## Taxation The Future of Your RRSP

Many Canadian taxpayers have been able to build substantial RRSPs that will one day supplement their pensions and other sources of retirement income.

Since the inception of this strategic retirement savings program, the RRSP has become an attractive investment for many taxpayers. An RRSP offers the contributor both immediate and long-term benefits:

- a reduction of personal income tax for the year in which the contribution is made

- the security of knowing that these savings will help finance your future retirement but can also be accessed in the event of an emergency

- the deferral of taxes on the income and capital gains on the RRSP investments that accrue within the plan, and

- substantial savings in taxes if your income (and marginal tax rate) is lower at the time you make withdrawals for your retirement.

### **Withdrawals from RRSPs**

Generally, you can withdraw funds from an RRSP at any time and the tax consequences are very straightforward. The amount of your withdrawal is fully taxable in that taxation year. As these savings are for your retirement,

withdrawals should only be made in the case of an emergency or in a year in which your income is particularly low. It is very important to get tax advice before you consider withdrawing RRSP funds prior to the maturing of your plan.

However, the lifespan of the RRSP does not continue beyond the year in which you turn age 69. In that year, the RRSP is said to have matured. That is, you must terminate your RRSP in the year in which you reach age 69.

You do have options for winding up the RRSP. Besides a lump sum withdrawal (which would be subject to tax in that year), you can purchase a life annuity or fixed term annuity and pay taxes as the payments are received. However, annuities lack flexibility and the rates of return may not be competitive with other investments. Your other alternative is to transfer the funds on a tax-free basis to a Registered Retirement Income Fund (RRIF).

Note that if you do not select one of these options by the end of the year in which you turn 69, the RRSP is automatically deregistered. For tax purposes, this deregistration is treated as if it is a lump sum withdrawal so a high portion of the funds would be taxed at the maximum tax rate. ♦ *To continue this article, visit the Resources section of our website at [www.vmswca.com](http://www.vmswca.com).*



## Technology Defrag for Optimum Performance

Is your computer running slowly? Does it seem to take longer to save a file? The fix may be just a few clicks away.

Perhaps it is time to defrag your system. Defragmentation is a process by which your operating system or a special software program defragments your hard drive so that your computer runs faster and more efficiently.

### **Fragmentation**

Fragmentation occurs on all computer systems. When data is stored on the hard drive, the location of every piece of data on every file is maintained in the file allocation table (FAT). When you need a file, the FAT is called upon to provide the address where that data is stored.

Ideally, everything in a particular file should be stored in one compartment, similar to a kitchen utensil drawer where knives, forks and spoons are each stored in their own section. However, a computer stores data in every nook and cranny available to make optimum use of the available hard drive space. If you are working on a file that is too large to fit into one of the pockets, the data for that file may be split into many pieces and scattered over

several sectors of the hard drive. Each piece of data for that file is allocated a different FAT address. When the file is recalled or stored, it takes more time for the system to gather all of the fragments of data and put it all together. When data files are constantly written, updated, rewritten and updated again, fragmentation increases.

When a volume (hard drive) contains a lot of fragmented files and folders, Windows takes longer to gain access to them because it requires several additional disk drive reads to collect the various pieces. Creating new files and folders also takes longer because the free space available on the volume is scattered. Windows must then save new files and folders to various locations on the volume.

Computers that are used for lengthy time periods and servers that are used by many users may have as many as 65,000 different pieces of fragmented data. This can severely affect recapture and storage time. ♦

*To continue this article, visit the Resources section of our website at [www.vmswca.com](http://www.vmswca.com).*



## Management New Employee Orientation

New employees are often so pleased with the prospects of the new job, they may not recall all of the information they discussed during the hiring process.

Orientation is the key to a better start and a happier, more productive employee. This is an opportune time to provide new employees with information that will ease the transition into the workplace and inspire them to have a good attitude towards the company and their new job.

Generally the employee's orientation should cover three key areas:

A general orientation meet the company

A departmental orientation meet the team, and

A specific job orientation here is how you fit in.

When new employees are well informed at the outset, they are better prepared to take on their new responsibilities and are not as likely to take up valuable time of other personnel unnecessarily.

### **Starting Out Right**

A well-planned orientation program avoids potential miscommunication and lost productivity and helps the new employee adapt to the new job and workplace faster.

Plan and prepare an orientation schedule for the employee's first day.

Indicate the time and locations of meetings with other staff, their titles, departments, local telephone numbers and the expected length of each visit.

Provide each of these individuals with a copy of this schedule so they are well

prepared to help the new employee learn about the company and its people.

Schedule time for completing and signing documents for income tax purposes, health benefits and other employment matters. Make sure the employee's SIN, address, and résumé are on file.

Make sure the new employee's work area is equipped with the tools needed to do the job.

### **The Company**

Provide a brief overview of the company, including the company's history, its products and services, the management structure, the competition, and the company's strategies and goals. If possible, have a chart available that shows how the company is set up and includes photographs of the key personnel and their titles.

Provide information about the company's customers, suppliers and any other parties with which the company interacts.

Consider matching the employee with a mentor in the workplace to turn for information or to discuss any difficulties.

Discuss the daily operations and matters such as staff meetings, hours of work, time cards and lunch breaks.♦

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432 Simcoe St.  
P.O. Box 67  
Woodstock, ON  
N4S 7W5

Phone (519) 539-6109  
Fax (519) 421-1339

8 Stover St. N  
Norwich, ON  
N0J 1P0

Phone (519) 863-3126  
Fax (519) 863-3756

45 King St. W  
P.O. Box 36  
N5C 3K1  
Ingersoll, ON

Phone (519) 485-2350  
Fax (519) 425-2416

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**VANPARYS MICACCHI SHIPPEY & WARNICK LLP**

*Chartered Accountants*

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