

Financial Executive Conference Idea Exchange

Tuesday, May 6 – 1:45 p.m. – 2:45 p.m.

Discussion Topics

- Promotional money systems and the sales audit function
- Structuring of data protection agreements (DPAs) with third party vendors (mostly software companies). The concerns are primarily related to hosted solutions where retailer data (e.g., customer information, employee information or even insider financial information) is stored in “cloud” computing environments. Specific challenges relate to:
 - Indemnification against third party claims for breach
 - Limitation of liability (how much the vendors will be liable for in the event of breach)
 - Insurance

Are other retailers are facing this similar situations? What risks are they are accepting. As vendors move more to hosted solutions, there is a greater shifting of this responsibility to retailers. Are there options available such as third party insurance coverage that retailers can purchase?

- Loan covenant defaults and best practices on communicating with your lender.
- Inventory appraisals – how accurate are they?
- Emerging from Bankruptcy – fresh start accounting?
- Outsourcing accounting – managing store/stakeholder expectations of what to expect for service levels
- How are retailers measuring departmental shrinks?
- What sort of performance indicators (KPIs) are retailers using to manage performance?
- How have retailers managed to remove (replace) annual/quarterly budgeting (with KPIs or other measures)
- What are retailers doing to control Workers’ Comp claims?
- Pharmacy receivables/collection management
- Store inventory issues
 - Perpetual records vs gross profit method
 - Upcharges for distribution or other corporate service
 - Shrink
 - Dealing with perpetual count differences.

- Who in your company has the accountability to ensure that you receive the best payment terms from vendors and how do you know it is being achieved?
- If your company has a Pharmacy operation, how do you manage the fastest collection of carrier claims?
- How do you measure shrink for fresh/perishable departments?
- Are there any new processes/technology solutions for taking a physical inventory that save money and improve accuracy of inventory counts? How frequent do you take inventories?
- Does your company do second audits of promotional contracts? Do you think the additional effort is worth the dollar findings?
- Captive Insurance Co.: Self-insured companies – is anyone currently using one or have you considered/evaluated such companies?
- What different types of electronic distribution methods are used for delivering monthly/quarterly/annual financial information to outside Board members, company management, etc.? What are the pros/cons of the different methods?
- Private Companies: To what extent have you implemented process narratives, walkthroughs and internal control testing to ensure existence of a sufficient control environment? Does anyone implement to the same extent as a public company? If so, is this performed by the Internal Audit Dept. or Accounting Dept?
- Dynamic discounting
- Timing of income recognition for up-front vendor rebate dollars received
- Cost savings recovery audits
- Advance preparation being done for future lease accounting change