



# Embracing Digital Transformation In 2019

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A Lesson in Digital Transformation of Small Businesses

# Letter from the Editor

**Dear Readers,**

So, we have just entered the last leg of the tax season. April 15th is almost here, and I'm sure the tax preparers are burning the midnight oil right now! I must say, the tax season has been a happening one for all of us. With the Tax Cuts and Jobs Act that left a lot of us confused on one hand, and the Partial Government Shutdown happening right ahead of the tax season on the other, most of us are taking a sigh of relief now. Kudos to the IRS employees for their consistent efforts and dedication in making the season glitch-free and smooth. All is well that ends well, after all. Likewise, the April issue of Fizzfx- a Sagenext Publishing, also marks the closing of the tax season 2018 on a positive note.

To make this issue more spell-binding for our readers, my team and I have worked together to create a cocktail of what's trending in the year 2019. To give you a sneak-peek into this month's issue, our cover story will give you a tour into the vastness of digital transformation. It knits together the various stages small and medium-sized businesses go through and how the need to digitize is compelling them to take a leap. The story, divided into three segments-one of which is included in the current edition, is an attempt to help SMBs embrace change and not shy away from it.



## **Ehtesham Haque**

is the Chief Executive Officer of Sagenext Infotech and one of the Directors of The Sagenext Group. As a leader, he has been heralding Sagenext's transition into an all-round IT hosting company, pushing its cloud infrastructure and hosting solutions to counteract the mounting demand of CPAs, accounting professionals and small and mid-sized businesses across the world.

**Ehtesham Haque**  
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## 4 Reasons Why Budgeting Is Not Working For You

One of the unsurpassable tools for effectively running a business is *budgeting*. It gives business owners the most descriptive picture of where to allocate their money and where they should not. If you built a budget, religiously followed it, and still found yourself failing at your finances, here are 4 primary reasons why your budget is hitting the bottom and how you can find a fix to your financial troubles:

### You Roughly Estimate Your Expenses

The biggest budgeting mistake you are probably making is not estimating your expenses accurately. Verbally calculating your monthly expenditure is not going to give you a dramatic insight into all the categories your money is going into. Instead, your budget should give you a clear picture of how much you are spending each month and which expenses can be postponed.

### There Is No Room For Savings

A lot of individuals and business owners often forget the primary purpose of budgeting, i.e savings. If you are particularly focused on devoting a part of your income into your retirement or emergency fund, your budget should promote saving.

### You Did Not Consider Inflation While Preparing Your Budget

Inflation cuts down your real income almost every month. If your actual income is stagnant, even the slightest increase in inflation is going to leave you with a smaller spendable income. A jam-packed budget that fails to accommodate an increase in prices is going to throw your financial planning downhill.

### You Forgot Your 'Once In Twelve Months' Expenses

Well-planned monthly expenses are one thing, but there are some expenses you only incur once annually. For instance, your car insurance or a license renewal does not happen every month, but rather shows up once every year. Not allocating a part of your income to these 'once a year' expenses can give your budget a shock when they suddenly pop-up.

And finally, budgeting alone is not enough. Doing it

# 7 CHALLENGES WITH CLOUD MIGRATION and how to overcome them

Cloud services are convenient and user-friendly. Yet a significant number of organizations have not joined the cloud, either they lack in knowledge or there is a fear of challenges of the migration process and data security. Let us understand a few common challenges companies face and what we can do about them.

## 1 PROPER TRAINING

Your employees, especially IT professionals must receive proper training for necessary skills needed to maintain the cloud infrastructure. Consulting an experienced cloud provider for services and help with the transition is a smart idea.



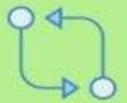
## 2 INTERNET CONNECTIVITY

As your services will now be in the cloud, you need a strong and reliable internet connection for seamless network. A huge amount of data will be transmitted through the connection, thus you need to prepare accordingly.



## 3 INTEGRATION STRATEGY

Keeping in mind the advanced technology being installed, the work processes of the business must be designed properly to take full advantage of the cloud infrastructure. After successful integration, you must work on company-wide adoption.



## 4 SECURITY MANAGEMENT

Being one of the key components of cloud management, data security is of prime importance. Make sure compliance requirements are met and maintain a secure environment. Services of a cloud provider makes your job easier.



## 5 SLOW MIGRATION

You might think that one-by-one server migration to the cloud will be beneficial for you. But in contrast, it lowers your server performance. Working of many apps can suffer with servers at different locations.



## 6 DATA BACKUPS

The fear of trusting a third party with your sensitive business data is the reason many companies have not migrated to the cloud yet. But the experienced service providers know best how to keep your data safe with encryption and backups.



## 7 MAJOR CHANGES

As work processes are modified with the integration of cloud technology, changes need to be made in the business model to address these advancements department-wise to drive success and move forward for collective growth.



## A Lesson in Digital Transformation of Small Businesses: Are You Ready Yet?

We are in the midst of a technical surge. With so much development happening so quickly, it is up to us to compete with it to survive. Yes, it is about survival. Small businesses need to gear up and embrace what technology has to offer for a stronger foundation and long-term growth. The idea of a 'transformation' may feel daunting, but ignoring it won't help. Digital transformation has become a necessity to persevere.

The meaning of digital transformation can vary for different people. Most companies have traditionally viewed it just as a support for already existing processes, with the aim of doing it faster. But a complete digital transformation is where you question whether it is the right thing to do, or if the changes will actually help in better decision making and personalized customer experience.

The world is evolving at a rapid pace. So working with the same processes for more than a decade will not get you the same results. We have to embrace the changes and adjust ourselves accordingly.

### What does 'Digital Transformation' mean?

The term can include many goals. It is broadly defined as how businesses can use digital technologies to fabricate or modify their existing work processes to meet the rapidly evolving industry dynamics. Businesses going through with this are actually embracing the digital future and making sure they survive the competition.

A survey conducted by the SMB group concluded that around 48 percent of businesses are planning to move towards a digital future, and around three-fourths of the surveyed companies agree that digital technologies are transforming their business approach. Remember, digital transformation is for everyone, whether you sell computer software or groceries.

For those who are skeptical, you do not need to go all-or-nothing. Organizations

can go through the process one step at a time, which can be a journey of multiple years. One can create a road map, beginning with the crucial issues and then moving to everything else keeping in mind the budget that works for your business.

### How do you know your business needs Digital Transformation?

There are a number of signs. Your past techniques for promotion are not getting you strong leads. You do not get enough referrals like before. You might not be getting repeat business from your clients. You may realize that you have lost touch with your customers and what they need. All of these and more mean that you need to modify how things work.



Using just a few applications that work separately for different purposes will not be of help. You need a centralized collaboration that brings together all business data, and tools that can modify that data into meaningful charts and numbers that push you towards better decision making for future growth.

### Are you ready for the Digital Transformation of your business?

Before diving into the transformation process, every business must complete an internal assessment that provides crucial insight into the company. Identify the gaps, problems and threats that may cause an issue.

Working with experts who have worked with similar businesses can help you move in the right direction effectively without any major mistakes.

It is not expensive to get expert help, there are free and affordable resources available in the market who can be your technology partner. They will recommend easy solutions that fit into your budget and are compatible with your business infrastructure. They can create a blueprint for you according to your preferences and help with the transformation process.

Do not forget to collaborate with your employees as they all will be affected by the changes. Take their input, make your suggestions. In a small business, it is important to take everyone forward together as they are the people who make your brand. Resolve their concerns and talk to them about the upcoming changes. Share your plans for the future and how they fit in the scenario.

The digital transformation of small businesses is steps towards modifications that will enable amazing cost savings and improve customer relationships. All of these and more mean that you need to modify how things work. It is an ongoing process as there is always something more to do, a next step to take. The only method to get through it is to be adaptive and alert.

*This blog is the first of three in a blog series on Digital Transformation of Small Businesses. Visit the site for the next part in the series and for more accounting and tax related blogs.*

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## Keeping Track: How To Know Where All Your Money Goes?

Business owners, particularly those starting out new, have little or no idea about how much money their business earns and where it all goes. Apparently, there is a slew of managerial and operational tasks that keep business owners occupied. Hence, they fail to pay attention to the cash flow on a regular basis.

**Here are some of the ways business owners can keep track of their expenses:**

### Efficiently Manage Your Inventory

Spending too much or too less on inventory means you are wasting money. The best thing to do is to plan your cost of sales expenses to avoid wasteful expenditure.

### Manage Your Orders Well

With everything happening digitally, people prefer complete transparency about their orders from their sellers.

### Give Your Clients Their Bills In Time

There are many reasons why doing this is so important. Out of the many causes, the most prominent one is- it prevents you from losing your own money.

### Payroll Is Equally Important

Your employees are one of the costliest resources in your business. Paying them accurately and in-time is imperative to track your expenses and avoid wastage.

### Pay Your Bills In Time

Now, there is a huge difference between the bills you generate for your customers and those you receive from your vendors.

### Listen To Your Bank Statements

It is necessary to cultivate the habit of tracking your money frequently, be it cash inflows or outflows. [Click to read more](#)

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## The Most Common Tax Liability Myths Busted

Tax season is a tough time for most of us. It needs vigorous planning, consistency, and consumes a lot of time as well. And, according to accountants and tax professionals, if your aim is to reduce tax season stress, you must finish preparing by the end of the year.

Here are 6 things your accountant wants you to know about your tax liability:

### Your Personal And Business Tax Liability Is Not The Same

Most people confuse their personal taxes with business taxes, but the two are separate entities and care must be taken when identifying your tax liabilities.

### You Cannot Fully Deduct Your Mortgage Interest

Deductions are great for minimizing the tax due, but not all deductions can be fully deducted.

### Tax Credits and Tax Deductions Are Not The Same Things

A lot of people confuse tax credits with tax deductions. Although the two may sound similar, understanding the differences can help you claim both and eventually reduce your tax due.

### Tax Laws Can Also Change

Just as the government changes, tax laws observe a change too. In fact, most tax cuts come with an expiration date.

### High-Income Earners Have To Pay A Higher Tax

Taxpayers need to calculate their taxes based on the AMT income. If unsure, your tax professional can assist you in identifying if you owe the government an AMT or not. [Read More](#)

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## Seize The Financial Success – 5 Daily Rituals To Follow This Year

Every individual thrives to be successful and sees the New Year as the right time to get stable with the finances. But exactly how much of us really follow the keynotes of our resolutions? Here are five daily rituals for you to attain unstoppable financial success in the year 2019.

**Self-Regulate Your Financial Goals-**The basic trick to achieve that is to engage with some of the advantageous financial habits, such as:

-Actively participate in a workplace retirement plan

-Make use of direct deposit

**Track Your Spending Timely-** It is always good to track your transactions on a regular basis. You can try these easy-to-follow tactics to measure your spending:

-Invest in a financial management tool

-Check on your expenses

**Reinvest in Your Skills-** Financial well-being highly depends on our ability to earn. And, sometimes, it is better to find new ways to upgrade your pay scale rather than strategizing where you can stop spending.

-Hone your competencies

-Cultivate new business opportunities

**Avoid Impulse Purchases-** Most of us are not good at tracking our financial pulse, and that's why end up with unplanned or excessive purchases. However, to balance your financial life, it is important to have habits that differentiate between the compulsion to buy and buying.

**Stay Vigilant of Identity Scams-** The scammers are willingly utilizing the power of technology to get hands on your sensitive information and money. Here's how you can protect your data:

-Don't share sensitive information

-Keep your data digitally secure

Adding up all of these small habits in your daily routine can help you to give a clear vision of your capabilities and opportunities. [Read the full blog here](#)

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