GOERING CENTER

Since 1989

What's Inside

Publisher's Note:
This publication is an advertising supplement to the Business Courier in cooperation with the Goering Center for Family & Private Business, an affiliate of the University of Cincinnati's Carl H. Lindner College of Business.

Established in 1989, the Goering Center is the country's largest university-based educational resource for family and private businesses.

Carol Butler, President
Sarah Dieckman, Editor

University of CINCINNATI
CARL H. LINDNER COLLEGE OF BUSINESS

When the going gets tough, the tough get growing

By Carol Butler, President
Goering Center for Family & Private Business

Focusing on growth activities and investments during a period when the world appears to be struggling and headed into recession may seem counterintuitive, but these times present a real opportunity.

Alan Beaulieu – President of ITR Economics – suggests looking past the headlines to your numbers and relevant leading indicators to see past all the noise. The current environment according to Alan:

- Consumer financial health is good with incomes rising
- Businesses are profitable and liquidity is high
- The economic situation looks stable

Certainly, the struggles with attracting and retaining talent and the ongoing supply chain issues have many businesses looking to cut costs as they cross their fingers and hope to ride out the current global malaise. Yet, some business owners are looking past the fear. They are refusing to hibernate and instead are making strategic investments that will have positive outcomes and position them well for when the tides turn again: talent development, setting up advisory boards, and investing in brand awareness are some of these key and timely investments.

The Goering Center's **Leadership Development Institute™ (LDI)** is a program that gives you and your executive team members the skills you need to perform at your highest level, positioning your business to thrive and grow, now and in the future. Over the course of 10 half-day workshops, you'll work alongside seasoned CEOs, company presidents, and leaders of various levels, functions, and industries to sharpen your skills across multiple leadership disciplines: understanding self, working with others, building teams, and problem solving, to name a few.

Our **Business Boards Institute™ (BBI)** is available whenever you are ready to advance your business to the next level with the help of carefully selected experts. BBI teaches you how to identify, interview, recruit, and onboard advisory board members who will provide you with expert advice, diverse perspectives, and insight to help achieve company goals.

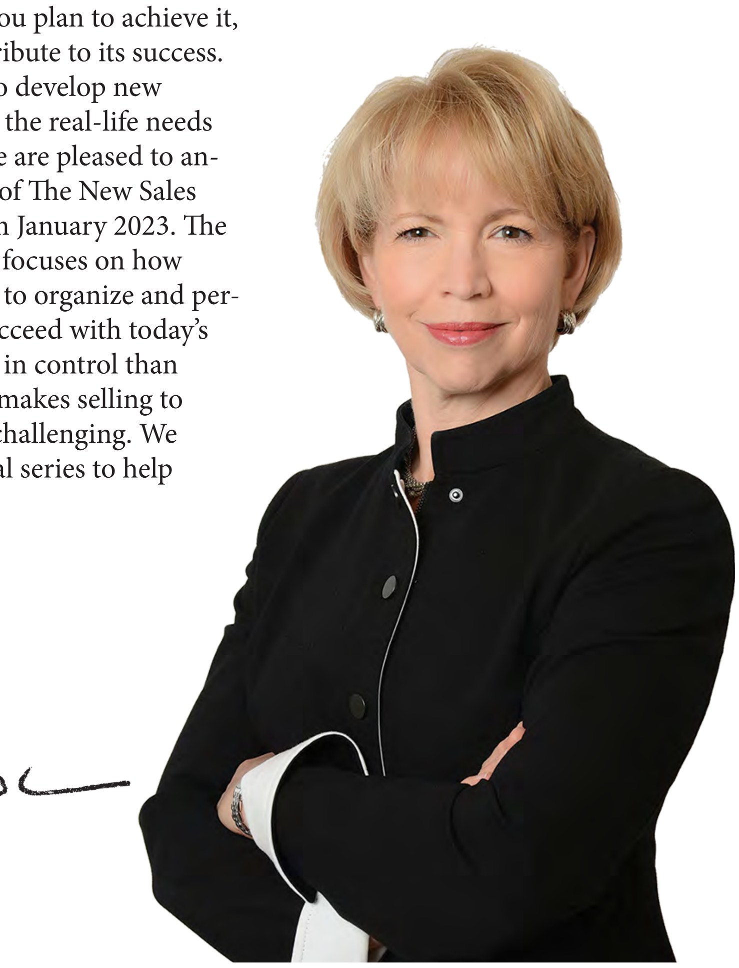
Goering Center Roundtables – often referred to as your very own personal board of advisors – represents another investment for growth. Our Roundtables are made up of eight to twelve business leaders led by a professional moderator, and provide a confidential and trusted forum for collaborative peer-sharing and learning. Together, you will address strategic and tactical business issues, within the framework of your personal and family needs, and walk away with key insights and ideas to make your world better.

Our **BLUEPRINT Business Planning Institute** is here to help you develop a concise and actionable business strategy that states your desired market position and has the flexibility to adapt to market changes. An effective business strategy is an invaluable tool that helps your team members understand the big picture goal, how you plan to achieve it, and how they contribute to its success.

As we continue to develop new programs based on the real-life needs of our members, we are pleased to announce the launch of The New Sales Frontier program in January 2023. The New Sales Frontier focuses on how today's sellers need to organize and perform in order to succeed with today's buyer, who is more in control than ever before, which makes selling to them increasingly challenging. We designed this virtual series to help business owners and top sales leaders understand what a sales organization needs to be and do to differentiate the business they serve and become a competitive advantage in the marketplace.

Finally, stay tuned for details on our January luncheon centered around the advantages of fractional C-suites. For example, maybe you can't afford to have a full-time Human Resources leader, but can you really afford to have no HR leadership at all? Learn how fractional C-suites are filling key leadership gaps in businesses on an affordable, part-time basis.

As I noted at the start of this message, some people see headwinds as a reason to stop and brace themselves, while others see them as an opportunity. As you plan for the year ahead, I encourage you to keep moving forward, to plan for success, development, and growth, knowing that you have a steadfast partner in the Goering Center.



Carol

Business Succession and Your Banking Relationship

By Mitch Nice, Commercial Banking Division Manager, Stock Yards Bank & Trust

Transferring your business to family members is most likely the toughest decision you will make as a business owner. With all things business-related, having a solid strategic plan is half the battle; the second half is being able to communicate this plan, and you can never start too early. While the internal discussions are much more personal, the external discussions can be just as critical to the success of executing the plan. We all know the statistics that only 30% of family-run companies survive to the second generation and even less make it to the third generation. Combine these statistics with a conservative banking industry, and you can create a volatile mix that can hamper the implementation of your plan.

Nice

We recommend keeping your banker informed and even involved as a great way to mitigate this anxiety. A few of the topical matters to review with your banker include:

SELECTION OF A SUCCESSOR

- How will the decision be made?
- Who will be selected as the heir apparent?
- Will there be any operational changes associated with the transfer?
- How will conflicts be managed with other members of the family or senior management?

TIMING OF TRANSITION

- What is the expected training & timing associated with the transfer?
- How long will the transfer period last?
- Are there external influences that create deadlines for the transfer?

FINANCIAL IMPACTS OF TRANSITION

- What kind of financing requirements will the transfer require?
- Will they include or require trusts, insurance, tax, or other financing requirements?

Getty Images

By keeping your bank informed of your plans, they can provide solutions and tools to assist in the transition. In a time when banks value "client relationships," working with a bank vested in your best interests will maximize your ability to keep the bank flexible and deliver a customized solution to ensure a successful transition.

Be sure to consult your accountant/tax advisor and/or your attorney prior to making any business succession decisions.

Defined Benefit Plans Can Help Small Business Owners Save More

By Billy Bruns, CFP®, MAI Capital Management, LLC

Saving for retirement is a long process that requires diligence and wisdom. The first part of the equation is having the wherewithal to save enough. Ideally, you'll start early to take advantage of the time value of money, but the adage "make hay while you can" applies to small business owners as your income will probably fluctuate throughout your career. The second part of the equation is figuring out which accounts to utilize for those retirement savings. 401(K) Profit Sharing Plans and Roth IRAs are great accounts to utilize at first, but there is another type of plan that can allow you to save substantially more. Enter Defined Benefit Plans.

Bruns

CONTRIBUTING

A Defined Benefit Plan is a type of qualified plan an employer can set up that gets funded with pre-tax money to provide a set benefit at retirement. The big benefit to small business owners here is the vast amount of income they can defer. If your business has really ramped up and you want to put away as much as you can for retirement, a Defined Benefit Plan can be very valuable and well worth the administrative costs. For example, let's assume a 55-year-old business owner in 2022 is already contributing the maximum $67,500 to their 401(K) Profit Sharing Plan. They may be able to make a back door Roth IRA contribution of $7,000. If they want to save more, they could set up a Defined Benefit Plan whereby they could potentially save up to 6 figures in additional pre-tax funds annually. Your eligible contribution amount needs to be determined by an actuary and depends on several factors including your age, compensation, and retirement age. This comes in the form of a minimum and maximum required contribution. The tricky part can be that you have to stay on track with funding targets regardless of business profitability in any given year. You also must contribute for any other employees eligible for the plan.

INVESTING

You'll have various options to invest your Defined Benefit Plan. Your advisor can help you pick the right allocation, and again the "defined benefit" you promise will play a factor. The more your plan assets grow via investments the less you must contribute annually. The less your investments grow, the more you must contribute annually. Continuing with the example of the 55-year-old business owner that is looking to maximize their deferral capabilities, they could invest the Defined Benefit Plan more conservatively while balancing their portfolio by investing the 401(K) Profit Sharing Plan more aggressively.

DISTRIBUTING

Plan proceeds are subject to similar tax rules as 401(K)s whereby distributions payable to you are taxable as income with a potential 10% penalty if you're under 59.5. However, your income tax bracket may be much less in retirement compared to your high earning years where you were deferring large sums of money into the Defined Benefit Plan. Once you retire, you could withdraw plan assets, set up an annuity, or rollover to your IRA. Continuing with the above example, the business owner upon retirement could combine their 401(K) Profit Sharing Plan and Defined Benefit Plan by rolling both into their IRA and setting up a monthly withdrawal for their retirement income needs.

Defined Benefit Plans usually aren't the primary source of retirement savings for small business owners, but they can play a big part in their retirement success. Major benefits can be accrued within a short amount of time and plans can be set up for a business of any size. These benefits should be weighed with the administration costs and complexities as well as the number of employees eligible for the plan. You should contact your trusted advisor to see if a Defined Benefit Plan makes sense for your business.

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Risk Mitigation Strategies to Help Protect Against a Rising Rate and Price Environment

Huntington Welcome.™

By Darrell Fletcher, Senior Managing Director of Commodities, Huntington Bank

The era of stable prices and low interest rates in the U.S. could be behind us. Amidst aggressive rate hike expectations from the Federal Reserve and global commodity price spikes, businesses are facing a volatile rate environment for the first time in years.

Fletcher

"It's a very interesting environment," says Darrell Fletcher, Senior Managing Director of Commodities at Huntington. "For the past five years at least, we've been in a stable commodity price environment with very low interest rates. People got used to that. There's been a complete undercapitalization and investment of many commodities globally, which has changed everything."

Commodity prices are no longer predictable, and rates are expected to keep rising. Risk mitigation strategies, which businesses might have paused or not considered at all during the previous years of stability, are now going to be essential. Understanding new areas of risk and strategically managing them could make the difference for businesses as they adjust to this new environment.

THE STATE OF RISING RATES AND COMMODITY PRICES

Countless factors play a role in today's fluctuating commodity prices, including the COVID-19 pandemic and subsequent lockdowns, Russia's war in Ukraine, and global unrest. Supply chain disruptions worldwide make it a challenge to manufacture and ship goods and equipment, and the global energy crisis is creating a high-risk situation for natural gas and oil that has led to prices rising to a 13-year high, explains Fletcher.

"Whether it's the base metals market, energy markets, or agriculture, many prices are at five- to fifteen-year highs right now," says Fletcher. "Companies that hadn't been concerned about their exposure, whether with diesel, aluminum, or steel, are worried now as they see these numbers rise."

In the U.S., efforts to address inflation and shrink the Federal Reserve's nearly $9 trillion balance sheet have led to the biggest jump in interest rates in two decades. Increased consumer spending – and the demand that comes with it – could only add to inflation pressures.

While these rapidly heightened rates and prices are unprecedented, businesses should be prepared for this situation to continue into the future and begin exploring risk mitigation strategies to control what they can.

"Businesses are going to have to get used to these price levels to an extent," Fletcher says. "They're not going to change anytime soon."

MANAGE INTEREST RATE RISKS WITH DERIVATIVES

Any interest rate volatility can impact earnings and borrowing costs. Derivatives are one of the most cost-effective options for businesses to protect themselves against interest rate exposure. Interest rate derivatives are hedging solutions that can minimize or eliminate risks related to rate fluctuations. Businesses can consider derivative strategies using interest rate swaps, caps, or collars to limit volatility and reduce their risk profile.

The unpredictable fluctuations in the market right now can have a significant impact on a company's finances. Companies with future commitments, such as procuring equipment or constructing a new building, can turn to derivatives to fix rates at current levels rather than risk higher costs down the road.

Interest rate swaps, which enable companies to manage variable rate exposures, are an attractive solution as the benchmark rate climbs. With this type of derivative, a company can lock in a rate on all or a portion of its floating rate exposure for a specified period of time. Although it's not clear exactly how high rates will rise nor when they will stabilize, fixing a rate now is one less risk factor for businesses to worry about.

"In times of heightened uncertainty, rather than focusing on financial markets or expectations, look at the known. Derivatives can help you take the uncertainty of the future and swap it out with the known of today." Scott McGrath, Managing Director of Capital Markets Derivatives, Huntington National Bank

FIND THE RIGHT BALANCE

There is no one-size-fits-all approach to managing risk and adjusting to today's rising rate environment. The strategies a business adopts depend on their exposures and tolerance for risk.

It might be several years before commodity prices stabilize and interest rates level out. Even when they do, it still makes sense to develop a hedging strategy to protect operations should this situation repeat itself in the future. Business leaders should expect to contend with environments of unpredictability. They can respond by adopting risk management practices that minimize the effects of future volatility.

Strategies for Small Businesses Considering Expansion

Schueler Group
Real Estate Services | Development | Construction

By Mike Schueler, Chairman/CEO, Schueler Group

There are so many great things about being a small business: the close-knit working environment, contributing to your local economy, seeing your vision come to life and thrive. The ultimate goal – of course – is to grow into a bigger venture, whether it means buying commercial land to build on or leasing local office space to grow into. You need to have the right small business growth strategies in place if you want your business to expand in a stable way; strategies that will set you up for long-lasting success and take your bottom line into consideration.

Schueler

So, what's the best way to ensure your company's physical expansion goes smoothly? It starts with consulting a commercial real estate broker with a comprehensive commercial real estate and development company; one with a long history of helping businesses grow and prosper in the region; a company who understands every facet of commercial and industrial realty – from land development to financing to commercial leases to commercial construction services, and more. If you are going to expand your physical space, you have options.

Small business expansion via new commercial or industrial builds

Your business manufactures a specific product, and you need a larger production facility to accommodate your growth. You're looking for Cincinnati area commercial property for lease or sale. You intend to build a new facility, but you're also open to retrofitting an existing commercial building, if the price, location, and current setup are right. This is where your commercial real estate agent should become a key player, giving you the knowledge and experience to determine the best path for your business. They will advise the best market in the area, economic growth projections, projected appreciation of the property, and what kind of capital you will need for your land development project or your renovation of an existing space.

Company expansion via industrial or office space for lease

Let's take a different example: your small business has outgrown its current space, but doesn't have the capital to outright purchase commercial land and build. Or, maybe you just want to test the waters by leasing an existing space that fits your needs because you're not sure if, in a year or two, you'll end up outgrowing that new space as well. A commercial real estate agent that not only sells and leases commercial land, but leases industrial, office, and retail spaces is your best option for help in this instance as well. Why? A good firm will have an array of commercial properties for lease and dozens of previous and existing tenants you can use as references. They'll be able to provide the needed renovations or updates to move right in and get going.

So, what's the best way to physically expand my business?

The answer to this question depends on many things, which is why your best bet for successful growth is to work with a well-seasoned commercial real estate company that offers comprehensive services. A full service commercial real estate company understands all aspects of small business expansion, commercial leases, land development, brokerage, and commercial construction.

1. This type of commercial real estate firm will have an inventory of different commercial properties you can choose from to ensure you have found the right type, size, and location for your small business expansion.
2. Because of the scope of work and experience a comprehensive firm has in their portfolio, they also have strong subcontractors and local government relationships to ensure zoning, permitting, land development, and construction all run smoothly.
3. They'll understand the history and projections of the local economies, what types of businesses will do best where, and how to pinpoint the best strategies to expand your specific business.

While to some extent, every new project and new phase of growth in your company is a leap of faith, having an experienced real estate development company handle all aspects from land purchase to development and construction contracting all under one roof is the perfect way to keep your company's expansion organized, moving forward, and successful, without breaking the bank, and allowing you to focus on your current and future business goals.

For more information, contact Mike Schueler at mschueler@hsabh.com.

Inflation Reduction Act of 2022

By Alan Greenwell, Shareholder, Cincinnati Market Leader, Kari Brooke, Senior Manager, State & Local Tax Services & Matt Deptola, Senior Manager, ESG Services, Brixey & Meyer

On August 16, 2022, President Biden signed into law the Inflation Reduction Act ("IRA") of 2022. While there has been skepticism about the legislation's ability to reduce inflation, there is little-to-no doubt that the financial incentives included in the bill provide the most significant resources in U.S. history for businesses to make climate-friendly investments.

Greenwell

There are three programs we would like to highlight in the legislation that could have a meaningful impact on your strategy & operations.

Brooke

Section 179D Deduction Increased Benefits

The Energy Efficient Commercial Buildings Deduction (179D) incentivizes commercial building owners to install energy-efficient systems. It provides an immediate deduction for costs related to energy-efficient installations. The deduction is increased to a potential $5.00 per square foot (compared to $1.88 from previous legislation) and can be taken on specific buildings every 3 years (rather than once over the life in previous legislation). Most non-profit organizations can now take advantage of the deduction and gift the deduction to tax-paying companies assisting them with architecture and design as incentives to focus on energy efficiency and conservation projects.

Deptola

New Energy Efficient Home Credit ("EEHC")

Extended, increased, and modified: The EEHC is found under Internal Revenue Code Section 45L. This credit expired at the end of 2021, but was brought back and increased under the IRA. The IRA increased the credit to $2,500 for multifamily homes constructed after 2022 that meet Energy Star requirements. The credit is $5,000 for multifamily homes constructed after 2022 that meet the DOE Zero Energy Ready Home requirements.

Qualified Commercial Clean Vehicles

A new credit for vehicles purchased after 2022, but before 2033 having a gross vehicle weight rating of less than 14,000 pounds and having a battery rating of not less than 7 kilowatt hours. The credit is also available for mobile machinery, including vehicles that are not designed to perform a function of transporting a load over the public highways, and those vehicles can exceed the 14,000-pound weight limit, but must have a battery capacity of not less than 15 kilowatt hours. The tax credit is worth 30% of the cost of the vehicle, up to $7,500 for vehicles less than 14,000 pounds, or $40,000 for mobile machinery. Tax-exempt entities can also get these credits as direct refunds, and a credit received can be transferred once.

When evaluating the potential return on investment of these programs, it is important to start by considering both the financial and non-financial implications of investments in energy efficiency or your vehicle fleet.

FINANCIAL

179D Program

- The 179D program requires an eligibility check be completed prior to initiating the project. This check ensures the projected energy savings from the project will be greater than 25%. Additionally, a modeling software from a pre-approved list from the U.S. Department of Energy must be used. This check will provide enough information to determine the estimated tax savings associated with the project.
- Contract labor's use of prevailing wage and apprenticeship labor could have a meaningful impact on the overall cost savings from the project.
- A "Qualified Individual" outside of the company must certify that the project achieves the energy efficiency requirements of the program.

New Energy Efficient Home Credit

- Contractors must also meet prevailing wage requirements to take advantage of credits in this updated program.

Qualified Commercial Clean Vehicles

- Dependent on the size of your fleet and your sustainability goals (ex: net zero emissions), it may be helpful to tap an advisor to help analyze the options you have for purchasing.

NON-FINANCIAL

How do the potential investments in these areas align with your ESG strategy?

Allocating financial resources according to your ESG strategy will deliver a higher return on investment than one-off sustainability-minded investments. Some of these programs can be utilized until 2032, giving you time to first put your dollars towards the ESG topics of highest materiality for your business — it is what will drive the most financial value for your company and what is most important to your key stakeholders.

For more information, contact Alan Greenwell at alan.greenwell@brixeyandmeyer.com or 513-752-8359; Kari Brooke at kari.brooke@brixeyandmeyer.com or 513-752-8359; and Matt Deptola at matt.deptola@brixeyandmeyer.com or 513-752-8359.

Recent Economic Highlights

By Jill Warman, CTP, Senior Vice President, Ohio Commercial Banking Market Leader, U.S. Bank

The softening of core inflation in the October CPI report is welcome news for both the broader economy and the Federal Reserve, as it helps present an off-ramp for the central bank to deliver a slower pace of tightening. Policymakers have indicated that their preferred next move would be a step-down from 75-basis point to a 50-basis point (bp) rate increase at the December 13-14 FOMC. Nevertheless, the Fed ultimately views the labor market as the primary battleground in its fight against high inflation, particularly in the labor-intensive service side of the economy. Though the number of job openings and voluntary quits has trended lower since last spring, they are still elevated. This suggests any near-term moderation in wage growth is likely to be only modest, which could spook the central bank into further boosting the terminal fed funds rate – or the peak in the current tightening cycle. That raises the risk of tightening too much and tipping the economy into a recession.

Warman

KEY INDICATORS

U.S. consumer price index: The consumer price index (CPI) for October came in sharply below expectations. The overall CPI rose 0.4% month-over month (m/m), or less than the consensus forecast for a 0.6% increase. This comes on the heels of a similar 0.4% m/m (or ~5% annualized) gain in September. On a year-ago basis, it pulls the headline CPI down to 7.8%, from 8.2% in September and a 40-year high of 9.0% in June. However, it also shows that the Federal Reserve still has a 'long way to go' to bring down inflation to its 2% target. Following three months of sharp declines, energy prices boosted overall inflation in October, as gasoline started to tick up again. But that was offset by widespread softening in other categories, including food. The CPI for food-at-home (i.e. from the grocery store), for example, saw its smallest monthly gain since December 2021. And food-away-from home (i.e. at restaurants), which has been on a torrid run this year, rose on par with September, suggesting a tentative peak. After two months of re-acceleration, core inflation finally lowered in October. Excluding food and energy, the core CPI rose 0.3% m/m (or 3.3% annualized), compared with the consensus forecast of 0.5%. That's roughly half the 0.6% gains seen in August and September, and it marks the smallest rise in over a year.

U.S. consumer credit: The stock of total non-mortgage consumer credit outstanding expanded by $25.0 billion (6.6% annualized) in September – according to a report out last week from the Federal Reserve. This marked a moderate deceleration from recent months, weighed down by tighter lending standards and rising interest rates. But the overall buoyancy of consumer credit indicates households' continued willingness to borrow and spend.

Spending has been kept afloat this year by strong job growth, including more than 4 million jobs added through October. But it would have likely been significantly lower, if not also for households tapping into the excess savings amassed during the pandemic and a rapid expansion in revolving debt (mainly credit card balances). This has many wondering how long can consumers hold out against this blistering surge in inflation, a big jump in borrowing costs, and a severe pullback in housing/stock market, before capitulating.

U.S. small business confidence: Small businesses continue to show a dismal view about the economy, according to a report out last week from NFIB. Its monthly measure of owner optimism slid in October, thus breaking three straight months of increases and holding below the near 50-year average for a 10th consecutive print. Within the details, hiring plans slipped although remain elevated – further evidence that the labor market remains extraordinarily tight, which has put upward pressure on wage growth. Capital expenditure plans declined slightly, with further deterioration likely coming as interest rates rise and the economy continues to slow. And expectations that business conditions will improve took another step back and remain depressed. To that, NFIB's press release notes that "inflation, supply chain disruptions, and labor shortages continue to limit the ability of many small businesses to meet the demand for their products and services."

U.S. auto sales: Although new-vehicle sales are stuck in low gear amid limited inventory conditions and higher prices, October showed some signs of upward momentum. Auto companies sold 14.9 million new units last month (seasonally adjusted annual rate) – according to the research group Wards Intelligence. That was the highest since January and reflects a meaningful advancement from the 13.3-million-unit pace averaged in the preceding six months. It comes with a caveat, however, as an extra selling day in October means it's likely to stick out as an anomaly compared with the rest of the year. Industry observers are looking for sales to advance given some sustained, albeit mild, pickup in overall production and inventory levels. If the economy can avoid recession and production returns to pre-pandemic levels, vehicle sales should gradually revert to the 17- million range that would ordinarily signal healthy activity by the end of next year. That is a big if, however, as consumers are now facing tougher economic headwinds, yet another headwind conspiring to constrain the auto industry.

For more information, contact Jill Warman at 513-632-4036 or jill.warman@usbank.com.

Cybersecurity Practices You Might Not Be Using

modern office methods | Optimized IT a modern office methods company

By Karen Morgan, Director of Marketing, OptimizedIT a Modern Office Methods Company

All small and mid-sized businesses must protect their assets from cyber threats. A tough cybersecurity policy can make network infrastructure more secure and employees less likely to be targeted in online attacks. Even better, a robust cybersecurity architecture isn't as expensive as many business owners believe.


Morgan

CYBERSECURITY OVERVIEW

Cybersecurity is an essential component of any business. It determines how network infrastructure is protected from various types of cyberattacks.

A cybersecurity architecture relies on policies, standards, tools, and privacy controls to identify, eliminate, and prevent outside threats to a company's network. It deploys hardware and software security measures and specific practices to deny access to malicious intruders.

COMMON REASONS TO INVEST IN DIGITAL SECURITY

The idea of cybersecurity architecture may seem overly complex; however, at its core, its primary purpose is to stop external threats from accessing, stealing, or corrupting data.

Hackers can use anything from brute force attacks to phishing, injecting malware into apps and websites, etc. Sometimes employees share confidential information unknowingly because they lack awareness, or poorly configured permission policies or network management can create vulnerabilities.

Whatever the reason, creating a cybersecurity architecture can offer many benefits including data breach prevention, better regulatory compliance, and faster recovery times, just to name a few.

HOW TO APPROACH DIGITAL SECURITY

Cybersecurity architectures rely on three crucial components: the right tools, processes, and employees or partners to oversee operations. No system can be completely autonomous, and no cybersecurity component can work without great tools.

Here's what a cybersecurity blueprint might look like in small to enterprise-level companies.

THE INCIDENT RESPONSE PLAN

An incident response plan dictates how to resolve any intrusive attempts quickly and efficiently. The plan will detail the systems used to block multiple cyberattacks and notify companies of dangerous attacks they can't currently prevent.

Incident response plans must differentiate between what constitutes an event, notification or alert, and response. With a clear plan in place, companies often form Incident Response Teams that include employees, partners, and third-party operators qualified and ready to implement the plan and deal with network threats.

THE RECOVERY PLAN

Cybersecurity experts operate from a what-if premise. If something were to happen, businesses need a disaster recovery plan to get operations up and running after a successful cyberattack.

These plans dictate the correct methods and tools needed to restore network access and functionality as quickly as possible.

A great recovery plan comes with detailed steps to stop intrusions, prevent further data leaks, and regain control of the system. Once initiated, the recovery plan must allow networks to function properly and without vulnerabilities to further cyberattacks, especially those of the same type.

POLICIES TO CONSIDER

One of the most important cybersecurity policies is the one regarding account or identity management. The cybersecurity architecture should dictate who can use the digital network and monitor communications between devices and individuals.

Detailed security logs can help companies record their employees' actions to determine who can adhere to strict protocols and who presents a security risk.

Using a zero-trust policy is often best because it implies using the strictest authentication procedures for everyone who interacts with a company's network. It can safely authenticate requests without compromising network protection and prevent abuse of trust or mishandling of sensitive data.

ENCRYPTION

No cybersecurity architecture is complete without encryption. Hiding data behind firewalls and scanning for malware isn't enough to prevent a breach or data interception.

Encryption is crucial for safeguarding data while in transit or after it reaches its destination. Only the intended recipient can decipher messages and data packets when done correctly.

IT'S NEVER TOO EARLY TO INVEST IN CYBERSECURITY

A good cybersecurity strategy is one of the best long-term investments business owners can make for their companies. Online threats are increasing as more processes and operations move into the digital space and many companies transition to completely remote or hybrid workplaces.

> “The Leadership Development Institute helped me to better understand how to reach my potential to be the best leader for my team, and what I needed to work on to help us all succeed.”
>
> *Aaron Hansen, President*
> *Hansen Scaffolding*

Leadership Development Institute™

Current and aspiring leaders gain insights and practical tools to maximize their effectiveness as leaders, coming away inspired and ready to inspire.

2023 LDI kicks off March 8.

For more information, contact David Miller at 513-556-5648 or david.miller@uc.edu.

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