

Business EXPERTise



Recognized and respected issue experts from PA Chamber member companies answer businesses' most frequently asked questions about HR, Tax, Communications and Environmental concerns, compliance and best practices.

Finance/Tax



Joseph Bright
Cozen O'Connor

How do recent changes to local tax laws impact Pennsylvania's business community?

There have been notable changes to local tax law over the last few years that impact businesses. In 2014, the Pennsylvania legislature passed Act 42, which restricts the ability of any locality in the state (except for Philadelphia) to impose a business privilege tax on a taxpayer. A locality cannot impose a business privilege tax unless the taxpayer has been conducting transactions in the locality for 15 days or the taxpayer maintains a *base of operations* in the locality — a base of operations being defined as an actual, physical and permanent place of business from which the taxpayer manages, directs and contracts its business activities at that location. The Act further provides that gross receipts taxed by the jurisdiction where work was performed will be eliminated from the tax base in which the business maintains its base of operations. The Act was intended to limit the effect of recent court decisions that appear

continued on page 27

HR



Kim Wylam
Baker Tilly

How can HR professionals stay ahead of the employee compensation curve?

I recently had the pleasure of speaking at the Human Resource Conference for the Pennsylvania Chamber of Business and Industry. While it is somewhat of a fixture on the HR "front burner," employee compensation has been a particularly hot topic of conversation over the past two to three years.

It seems no matter the size, industry or number of employees — compensation is garnering serious attention when it comes to recruiting and retaining employees. I mainly attribute this particular trend to the end of the recession and subsequent economic rebound. During an economic crisis, business owners and employees believe that job security is job one — talk of raises and bonuses take a back seat to job security. However, once a recession ends and the climate changes, this pause on compensation coupled with labor market volatility can thrust compensation back into the limelight

continued on page 28

Communications/ Marketing



Amy Beamer Murray
Pavone Marketing Group

How can mindfulness help my business align its communication efforts in 2016?

By definition, mindfulness is the practice of taking the time to be truly present. In an era when we are increasingly connected to our work, tethered to our devices and seemingly always on call, mindfulness asks that we continue to strive to live in the moment, take action with purpose and presence and listen to our own bodies and minds.

Mindfulness is also a part of a larger area of study called positive psychology, which has roots in neuroscience and the study of PTSD survivors. Simply put, positive psychology focuses on the intersection of three areas of a person's mindset — joy, mindfulness and resilience. When all three are present in good measure, a person is said to be thriving.

While this doesn't sound like a typical business practice, mindfulness concepts are becoming more mainstream in the workplace

continued on page 28

Energy/ Environmental



Mark Fennell
UGI Performance Solutions

Could a Combined Heat and Power project help my companies' energy costs?

Increasing numbers of colleges, hospitals, industrials, commercial and recreational facilities are exploring and implementing Combined Heat and Power (CHP) projects for their facilities. CHP offers organizations many ways to dramatically lower energy and operating costs and improve their competitive position in the marketplace.

What is CHP? It is a process of using one fuel source (typically natural gas or a biogas) as an input into a prime mover (engine, micro-turbine or turbine) to generate electricity. It does so with the thermal by-product being utilized through heat recovery equipment (such as a heat exchanger, HRSG, or absorber) to produce hot water, steam or chilled water that can be used to serve a facilities' needs.

Facilities that have high operational hours, a large thermal utilization, power availability requirement or an existing central distribution system (or one that can easily be established) are an ideal fit for CHP. There's also

continued on page 28

Although some of the experts are attorneys, nothing in this article should be construed as legal advice or as pertaining to specific factual situations.

Kim Wylam

continued from page 26

and place unsuspecting Human Resource professionals into a reactionary position. This reactive environment further influences the compensation market, as comp decisions are being fueled less by strategy and more by recruitment and turnover in key positions.

So how do we as HR professionals stay ahead of the compensation curve? It starts with taking an inward look at your company's compensation structure and philosophy. Think about it. How do you compensate your employees? What are the combined elements of your compensation? Is base compensation, plus a bonus, plus other fringe benefits and incentives what you feel wins the day? Do you want to be the highest payer, or do you want to fall in line with your competition? Conversely, do you pay lower wages but offer

superior better benefits and a better working environment? There is really no wrong answer. The key is to know and own your compensation.

In order to get to the place where you can confidently own your comp, you should be first willing to pay for solid, reliable market compensation data. What we are talking about here does not have to break the bank. Many companies start by looking at single or key positions, or at departments or grades of employees. They migrate up and down from there by percentages influenced by hierarchy and organization. The key is having a sound basis in competitive reality. Free data doesn't get the job done. It is usually self-reported, too subjective, aged and not accurate enough to be worth your while.

Compensation consultants are in the business of understanding current market conditions and industry factors. They dig deep yet with precision

into your employee compensation and infuse external perspective, keeping the "apples to apples" and doing so in a manner that gives way to a comp position you can own with confidence.

Lastly, as with all things HR—communication is key. Owning your comp position means being willing and able to talk it up with purpose and conviction. Share it early and often. Take aim at making sure your employees consistently know not only what it means to you and to them, but how the performance of each plays a role in shaping it. Those in-the-know will remain engaged and loyal. After all, isn't it they who truly own comp? ■

■ **Kim Wylam** is president of Baker Tilly in Clarks Summit, PA.

Amy Beamer Murray

continued from page 26

because they have been shown to promote mental acuity, efficiency and productivity. It's smart business practice because it also cuts down on miscommunication. Even though we have more ways of communicating today than ever before, we seem to find ourselves in situations where there's "miscommunication" that results in confusion, work needed to be redone and frustration. Mindfulness helps people retain their focus and cuts down on them being distracted, not being present and not listening. Anyone reading this can conjure up a situation in their own business when this has

occurred and think about the consequences of that "miscommunication."

I make a point of taking as few as 10 minutes each morning to meditate and to be free from emails, meetings, phone calls, lists and all the tasks that come with a COO's responsibilities. Meditation doesn't always mean being still or quiet, it can also be walking and taking in the sounds of the environment around you. And I try to simply breathe and be present throughout the day. That practice of centering has been especially helpful to me, and I know it has improved my own performance.

In order to promote this philosophy company-wide, I start with team members who have a genuine interest. I'll offer some examples from thought-leaders of how it has transformed both individuals and companies. I'll ask my team to keep an open mind and try it for a week or so, and then, if they find it useful, to make it a part of their daily routines. In the end, it's not something that can be forced, a mandatory process. It has to be a gentle suggestion, and in the end, a personal choice. ■

■ **Amy Beamer Murray** is chief operating officer of Pavone Marketing Group.

Mark Fennell

continued from page 26

the economically attractive high 'spark spread' associated the project, which is when input fuel cost is low relative to the cost of purchased electricity.

Because of Marcellus Shale and the abundance of low cost Pennsylvania natural gas, CHP has become a huge opportunity for Pennsylvania-based companies to lower their cost of operations and gain competitive advantages.

Working with the right partner is important for any type of project, but more so when the level of investment in both time and capital are great. Below are three areas for consideration.

1) **Design-Bid-Build vs. Design-Build**—A traditional Design-Bid-Build approach is set up

to provide lowest cost installation, but not necessarily optimized for cash flow and flexibility. A Design-Build process enables iterative design questions and impacts to life-cycle, which speeds up the process, reduces going over budget and allows for an optimized solution. An industry leader often says, "By the time an owner is done with a CHP project, they will have gone through 1,200 questions and answers." You'll want the expertise on your team to ensure that the appropriate questions for your project are asked and that you get adequate answers.

2) **OEMs vs. Equipment Agnostic Developers**—Original Equipment Manufacturers (OEMs) are a vital resource—they know their equipment and can offer expertise for their specific technology. However, OEMs are inclined to

display their product offering in the best light possible and don't always have the best fit for your specific needs. Developers who are equipment agnostic can provide unbiased comparisons, which is only as good as the experience, expertise and technology choices they bring to the evaluation.

3) **Company Resume vs. Individual Team Members**—All too often, companies present projects as examples, but the people who have brought them to fruition have moved on to other organizations or may not be available for your project. Make sure you understand the key individuals who will be working with you. ■

■ **Mark Fennell** is business development manager at UGI Performance Solutions.