# Transcript: IT Podcast - EP 157 - C928 Frequently Asked Questions with Lavender Boyles and Jerry Geiser

*The following transcript is a verbatim account of the video or audio file accompanying this transcript.*

Speaker #1 (Narrator):

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Speaker #2 (Lavender Boyles):

This is Lavender. Today I have Jerry Geiser with me.

Speaker #3 (Jerry Geiser):

Hello, Lavender. How are you doing?

Speaker #2 (Lavender Boyles):

Doing well. Thank you. This is a continuation of our previous C9 28 podcast and this is covering some of the frequently asked questions we get. All right, so I talk to students and they ask me questions and I really can't give an answer, but I know you can. One of the first questions I usually get is students are looking at the 10Q, they're reading the book and not all the terminology matches up very well. What's the best way to approach that, or how do we figure out what they're talking about?

Speaker #3 (Jerry Geiser):

Now this is an excellent question. Think of a perfect example. One of the items that you could do is a solvency term and its fixed assets. Now, fixed assets, according to the book, is property, plant, and equipment. It's an investment that the company has bought. The problem is that if they look up and down the balance sheet, they can't find the term fixed assets. They might struggle if they're looking for property, plant and equipment because it might say net property or it might say property, plant and equipment. If they can't align those terms then they have a hard time solving the equation or coming up with a solution. The reason why we would want you to stay in the book is because the book does a lot of those explanations or says this is what we're looking for. That is the best source, because again, this book is written for IT leaders, learning finance and not finance leaders learning IT.

Speaker #2 (Lavender Boyles):

Okay, so that was another question I get. Then that ties in really well. Students are wondering if they can get all the information they need from the book, or do they need to start looking around or asking their CPA how to approach these things.

Speaker #3 (Jerry Geiser):

That's another great question. I get that a lot of times. They say I went to my friend and my friend said we recognize the blah, blah, blah, and they're qualified CFA, CPA, and a lot of times their answers are absolutely correct. But they're much more extensive than what we want to do. We do not want to over analyze this task. If you were looking for outside resources, example would be Investopedia has some great quick hit of videos and some really interesting and some easily explained bits of information. But a lot of times they can start to go into a lot of detail. One of the examples I think about is MCC, which is part of our Section E. We do a very high level look at that. But if you go into MCC, you can then have yourself trying to calculate internal rate of return, you can calculate multiple components of projects. Then all of a sudden, you've got this overly analyzed piece of work that you could have simply solved with a definition. I want you to be careful with using outside resources because they are great. But a lot of times they have a tendency to send us down a rabbit hole rather than just staying in the material because the material does a good enough job, explaining what it needs, and then giving the students the ability to answer the rubric questions.

Speaker #2 (Lavender Boyles):

Alright, so stay out of the weeds, basically.

Speaker #3 (Jerry Geiser):

Stay out of the weeds, yes.

Speaker #2 (Lavender Boyles):

Okay. Now there's another question I get. We talk about having a negative number and we addressed that in another podcast. But what if it's the financial documents show that there's a $4 billion loss from the company last year and you're proposing a $19 million project. How do I know I should even propose something like that in that financial situation?

Speaker #3 (Jerry Geiser):

These are all great questions, Lavender. Your students have really been doing their due diligence on this. That's great. It's like, okay, well, if we are in a position where the company is losing money, how can we then go ask for more money if the company is in the negative, how can we keep moving forward? You have to realize recent personally selected these businesses because of their solvency, debt or long-term capability. Ford has been around since the early 19 hundreds. Walmart has had a ton of success. They've always shown over the years positive cash flow and you've seen their footprint, and of course, Apple is the first trillion-dollar company to be recognized as far as cash. Even if we get a quarter that we have a bad return. Or the economics of the day or the world's economics are showing us negatives, or things are going awry, or inflation or interest rates are rising too much, or there could be outside events that are causing our companies to have a negative return during that period. It doesn't mean that business stops. We still have to go forward. We know that our project is going to help the company long-term. We want to go ahead and even if the numbers don't always show us a positive gain, we want to be able to take that into consideration and then understand our qualitative side of it, what the project brings to the table along with the quantitative side, and then present it back to the leadership so that we can get our project to go for it.

Speaker #2 (Lavender Boyles):

It'll also not just demonstrate your accounting skills and your analytical skills, but also your marketing and your convincing skills to get this project through.

Speaker #3 (Jerry Geiser):

Yeah, that's a great way to sum it up because what we're learning that we do it in our jobs, and this course isn't just the same as anything else, is that there is a reason why we do what we do. We install equipment, or stack it up, or we do data-centers, or we convert the Cloud or reduce as. We do this because we know it will help the business. This is just another project that we know is going to help the business. But sometimes the business doesn't see the benefits until we point it out, based on our skill, our inside knowledge and justify the reason why we're there and we're contributing to the company's bottom line.

Speaker #2 (Lavender Boyles):

Alright, great explanations, Jerry. I really appreciate you coming in today and addressing these questions.

Speaker #3 (Jerry Geiser):

Thank you for having me Lavender and I look forward to continuing our series and always feel free to reach out to your course instructors as we're here to help.

Speaker #2 (Lavender Boyles):

Thank you.

Speaker #1 (Narrator):

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