# Think like a Criminal to Catch a Criminal

## Rona Amadon, CPA, DoveLewis CFO

## DoveLewis Annual Conference Speaker Notes

### Introduction

Yes, it can happen to you. No business is immune to the risk of employee fraud, and the results can be especially devastating to small clinics. In this session, you will learn some of the most common ways to commit occupational fraud, and more importantly, the most effective ways to deter and/or detect it.

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### Overview

Occupational fraud has a very broad definition: "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets." This definition covers a wide range of employee misconduct from stealing time (surfing the internet while on the clock) to stealing actual stuff (cash or equipment). Where do you draw the line? What is the ethical culture in your organization? Are you doing everything you can to reduce the possibility of fraud occurrence … while increasing the probability of fraud detection?

### Fraud Statistics

Occupational fraud is far more common than you might think. We will examine the data to reveal some interesting facts about fraud, primarily who these fraudsters are. Most of the statistics in this presentation have been sourced from the "2018 Report to the Nations" which is a global study on occupational fraud produced by the Association of Certified Fraud Examiners (ACFE). They have been gathering and analyzing data on real fraud cases for over 10 years. This publication is widely accepted as *the* resource for how occupational fraud is committed, how it is detected, who commits it and how organizations can protect themselves from it. This free report is available online, so if you want to dive deeper or share it with your team, go to https://www.acfe.com/report-to-the-nations/2018/.

### The Magic Fraud Formula

Once we talk about who is committing these crimes, we will shift our focus to the how and why. Donald Cressey, a prominent sociologist and criminologist who made innovative

contributions to the study of white-collar crime back in the 1950's, developed the "Fraud Triangle".  His research concluded that there were three necessary environmental/behavioral components in order for fraud to occur:

A. Incentive
B. Opportunity
C. Rationalization

Generally speaking, all three elements of the triangle must exist for an individual to act unethically. Understanding these three elements can provide a useful guideline for organizations to assess their vulnerability to fraud and take steps towards minimizing risk.

**Types of Occupational Fraud**

After the who, how and why … we will move on to the what. There are three primary categories of occupational fraud: asset misappropriation, corruption and financial statement fraud. This presentation will focus mainly on asset misappropriation, since these are the types of schemes that you will most likely face in a small business.  We will look at how a fraudster might perpetrate these types of crimes, and discuss some real life cases:

- Skimming / Voids
- Unauthorized Discounts
- Fictitious Returns / Sales Adjustments
- Procurement Fraud
- Check Forgery
- Purchasing Conflict of Interest
- Fictitious Invoices
- Expense Reimbursement Fraud
- Ghost Employees

**Prevention versus Detection**

Experts agree that it is easier to prevent than to detect fraud. Having a robust system of internal controls in place is your most effective means of prevention.  Internal control procedures fall into one of five categories:

1. Authorization of Transactions
2. Segregation of Duties
3. Adequate Documentation
4. Safeguarding of Assets
5. Reconciliation & Review

In addition to your internal control system, there are several other things you can do to help protect your organization. Pay attention to red flags.  Almost all fraudsters in the ACFE study exhibited at least one of these common red flags:

1. Living beyond means
2. Financial difficulties
3. Unusually close association with vendor or customer
4. Excessive control issues or unwillingness to share duties
5. Recent divorce or family problems

As the manager or owner of a small clinic, you will probably want to direct your antifraud efforts towards the most cost-effective controls, such as setting an ethical tone at the top, providing employee education, and establishing a reporting mechanism.  Every organization should have a whistleblower policy in place, giving employees clear guidelines to follow if they believe misconduct is taking place.  Your policy should include sections on all of the following:

- Employee responsibility for reporting
- Reporting procedure (consider implementing a hotline)
- Requirement to act in good faith
- Confidentiality, to the extent possible
- No retaliation or recrimination

In the end, occupational fraud hurts not only you as the employer, but all of your other employees as well.  Be aware, put controls in place, educate your team and embrace one of my favorite Russian proverbs: Доверяй, но проверяй (trust, but verify).

# The Changing Workforce

## Ron Morgan, CEO & Monica Maxwell, CAO

## DoveLewis Annual Conference Speaker Notes

One in three people in the labor force is a Millennial, making them the largest generation in the current workforce. Millennials, the growing economy, and a tight labor market are changing the expectations employees have of their employers. We'll discuss how the changing labor force has affected the veterinary industry (particularly private practices), our management styles, and offer tips on how to compete in this changing world!

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A lot has been made in the last five years of Millennials and the challenges they bring employers.  In general, the three most common generations currently in the workforce are defined as such:

**Baby Boomers (1946 – 1964):** Hard-working to the point of having poor work/life balance (and expecting that of those around them), competitive, generally respectful of chain of command and the concept of "paying one's dues."

**Generation Xers (1965 – 1979):**  Skeptical, impatient with traditional ways of doing things, lacks organizational commitment, seeks work/life balance, values resourcefulness.

**Millennials (1980 – 1998):** Confident to the point of appearing disrespectful, expects quick rewards and promotions, low tolerance for tasks considered low value, digitally connected 24/7 with the expectation that others will be as well.*

Generations tend to span an 18-year period. While the generation in total is defined by some specific traits, the first half of the generation tends to have commonalities with the generations surrounding them.  For example, Generation Xers born in the late 70s and early 80s have recently been named Xennials.  They have traits of both the Millennials and Xers, described as being more pragmatic than their cynical Xer counterparts and less idealistic than their Millennial friends.  They grew up with a computer, but also before cellphones and lived their teenage years in the bliss that was pre-social media.

In other words, one Millennial is not necessarily like the other.  Millennials started entering the workforce in the late 1990s with the tail end of the Generation Xers.  As an example, Dove's more tenured Staff DVMs are in this age group, with several of them starting as Dove Staff DVMs in the mid-2000s.  This group of DVMs remembers how the clinic worked both pre-recession and post.

*Strategies for managing workforce generations that work, Management in Healthcare, Vol 3, #1

In contrast, some of Dove's newer staff DVMs completed veterinary school in 2012/2013. While jobs were less plentiful, they entered their professional careers as the country was in economic recovery.  Stories about mid-recession medicine are an abstract concept to these veterinarians.

So, two Millennials who both experienced the recession, the economic collapse effected and shaped them both, but in different ways.

What does this tell us?  Well, recent research outlined in Jennifer Deal's book *Retiring the Generation Gap: How Employees Young and Old Can Find Common Ground,* indicates that while there are similarities within the groups of generations, all the generations want the same basic fundamentals from their workplace.

- The desire to work on challenging projects
- Competitive compensation
- Opportunities for advancement with the ability to learn
- To be treated fairly
- A satisfactory work/life balance

So, if everyone wants the same fundamentals, why does it feel so difficult managing the different age groups, particularly Millennials?  The devil is in the details.   Baby Boomers and Millennials, in general, most likely define work/life balance differently in the same way that they also might have different interpretations of "fair treatment."

EX: A Baby Boomer who was taught earlier in their career that paying their dues means working long hours might find it unfair that a Millennial expects a pay raise after working for a clinic for only a year.  Similarly, the Millennial may think it is unfair to have to wait five years to get an increase in production even though they see more patients than the clinic owner.

In addition to the uniqueness of us all, the impact changing social norms and environmental impacts has on all the generations cannot be ignored.  If our entire lives become dictated by technology that allows companies to cater to our needs individually, why would we not expect the same from our employers?  If we can buy anything we want with one click on Amazon, why can't we have the same conveniences at our workplace?

Flexing to individual needs and focusing on the main fundamentals everyone wants becomes all the more critical as we consider the current environment.

**Tight Labor Market:** Unemployment nationally and here in Portland are at historic lows, unemployment in the small veterinary industry are even lower.  Portland currently has a 3.8% unemployment rate which means there are more jobs than people.  A lot more jobs. Employers are competing for employees in a way like we have never seen.  This is not only driving up wages, but it is also changing the expectations of employees.   Why not negotiate for the best schedule and highest wages you can get?  After all, if it doesn't work out there are many other employers in the sea.

**Growing Economy:** In addition to historical low unemployment, the economy has also continued to grow and prosper for an unprecedented amount of time.  Economists are convinced that the models we have used for decades have a new factor that has yet to be determined that is altering how we view this data, but for the average employee they want to know where all the money is going and how they can get more.  Who can blame them?  When you hear about other companies, such as Mars, offering signing bonuses and higher wages to new employees it should not be a surprise that the Washington Post reports that 72% of employees would consider leaving their employer.

**Unions:** The unionization movement in veterinary medicine is in its infancy, but absolutely cannot be ignored.  In the last year, support staff at four specialty hospitals have voted to unionize.  Not all of their employees were Millennials.  The Unionization effort has been fueled by consolidation in our industry which magnified employees' feelings that they had no voice and were not valued.  This goes back to those five fundamentals everyone reports needing.

So, what can we learn from this and how can we compete?  Research about the generations was never intended to be used in a carte blanche manner.  Management basics are still at play.

- **Create multiple channels to make your employees feel heard.**  This might sound complicated, but it does not need to be.  Open up staff meetings to agenda items from your staff.  Create a gmail address for suggestions/questions/comments.
- **Understand motivators and drainers:** Understanding what about your clinic motivates and drains your employees is critical. While you cannot necessarily remove drainers, helping minimize them while also capitalizing your motivators can significantly improve employees' work satisfaction and productivity.
- **Be flexible with the needs of individual employees:**  "Relax the rules and focus on results."  What if one of your employees wants to take a two hour lunch but they are willing to work the open and close the clinic?  Sometimes as managers we focus too much on how things were or how they were for us.  Do what works for your clinic and your employees.  If they perform and operations are not at risk, don't get mired in the details.
- **Get input and ask questions:** We are in the age where information is at our fingertips.  Some experts argue this gives humans a false sense of intelligence, but the results for all age groups is a sense of equity with information.  The result is your employees expect to give their input and expect to be heard.  They want to be involved in decisions that affect them.  Start work groups and committees and set expectations for what you will do with input and information.  Chances are buy-in will be hirer when you implement something new.
- **Pay attention to changing wages and make a plan:** The job market is tight.  Nationally, we have CVT and DVM shortages.  Job candidates are asking for top dollar.  While your clinic may be a unique place to work, you have to do more to attract and keep talent.  Don't be an ostrich.  Wage changes are expensive, pay attention to the job market and make long term plans to keep pace.
- **Be aware of your workplace biases:** Just because you had to work 80 hours a week to get where you are today doesn't mean other people have to do the same.  Social

norms are changing, let go of your view of work and success and take the viewpoint that your main position is to develop and retain talent.

- **Use the platinum rule: "Do unto others as they would have you do unto them, not as you would have them do unto you."** Understand that what works for one person may not work for another. Treat them how they want to be treated. If you don't know what they want, ask.

**Talk Is Cheap:**

**How to Communicate When You Don't Really Want to**

Monica Maxwell, SPHR-SCP

DoveLewis Annual Conference Speaker Notes

One of the most challenging parts of management is balancing the needs, communication styles and differing priorities of the individuals on your team. In this lecture, we will use case studies to discuss goal-based communication strategies for communicating effectively with people you like and people you don't.

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New research published last summer in the journal of Learning and Behavior reports that dogs have extraordinary skill in reading human facial expressions. They can read small changes in the faces of humans to sense happiness, sadness, excitement, etc. In contrast, several research reports have indicated that humans are bad at reading facial expressions, even having trouble distinguishing when other humans are smiling because they are happy and when they are smiling out of frustration (dogs have this figured out apparently).

In addition to being poor readers of facial expressions, we also are inherently fearful of conflict. Why?

As I have discussed before, conformity is in our DNA. In 1951 Solomon Asch of Swarthmore College conducted a study in which an individual was placed in a room with seven other fake study participants and asked several simple questions (for example, $3 + 4 = ?$). The group of seven had prior instructions on when to give the correct answer in unison and when to all give the incorrect answer. 75% of the real participants changed their correct answer to the incorrect one to match the group. This is known as the Asch Conformity Experiment.

What does this have to do with your clinic? Well, apparently, the core instinct for the majority of us is to belong.  Belonging is important. We had to conform to survive in the wild long ago and now we have to conform to survive in the working world. Conforming can mean that we are hard wired to avoid direct communication.

While conflict avoidance is not surprising, it may have more damaging effects on the workplace than we realize. In Brene Brown's blog *Clear is Kind. Unclear is Unkind*, Brown surveyed leaders about what one thing needed to change in order for leaders to be successful. The answer: the world needs leaders who are braver. Often, Brown states, leaders avoid giving honest, tough, and constructive feedback due to lack of

communication skills and the feeling that being direct is not "nice or polite." The consequences? Behavior many managers complain about frequently:

- Diminishing trust and engagement
- Increases in problematic behavior (i.e., talking behind other people's back, gossip, backchannel communication, overall passive aggressive behavior)
- Decreasing performance due to lack of clarity and shared purpose

Sound familiar? Since we have not figured out how to populate the labor force with dogs, we are stuck with one another, misreading faces and avoiding tough conversations. So, how do we overcome our evolutionary shortcomings?

By communicating purposefully.

What is purposeful communication? It is clear, goal oriented, and tactful. Purposeful communication takes practice.

Here are questions to ask yourself before tough conversations to help you be a brave leader with purposeful communication.

**Am I avoiding something because it makes me uncomfortable?**
More often than not, we avoid conversations because it makes us feel better. As leaders, if we think our primary role is to develop those we are charged with, avoiding feedback only stunts their growth and development. Being clear IS kind, and it is your chief responsibility as a leader.

**Is the information useful or necessary to the conversation?**
This is a great question to ask yourself, especially when the information you are sharing is a correction of an incorrect statement or incorrect information. What is the consequence of NOT correcting the statement? If the consequence is neutral or non-existent, consider staying silent. The correction in that case will sidetrack the conversation from your larger goal and will often make you come across as nitpicky or a know-it-all.

**And speaking of goals, what is the goal of this conversation?**
Of course, not every conversation needs to have a goal, but if you are embarking on a discussion that is more serious, understanding what your goals are is important to avoiding getting sidetracked. For example, if you are going to talk to a staff member about a performance issue and they begin to tell you about another employee or begin to go through a list of general grievance, understanding your goals and redirecting is critical. Additionally, if you know the feedback you are giving is poorly received, understanding your goal in the conversation can help better measure success.  Sometimes the feedback you give will make people unhappy; that's okay if your larger goal was to ensure you are being clear.

**What is the impact of my information on the other person?**
Knowing the impact you are going to have on others is important. If you know the information that you are sharing is upsetting or stressful, this can help you deliver the information in the best way. That does not mean you should sugarcoat what you are

saying, merely that you should be purposeful with your approach. As an example, if you have an employee who made a non-fatal medication error, texting them to ask them what happened as a way for them to prepare for a bigger discussion is, frankly, unhelpful.

**Based on their communication style, is there a way for me to flex my communication to make the information more clear?**
This is when understanding your communication strengths and weaknesses and those of your team becomes crucial.  The goal here is to ensure you are communicating in a way where the other person can best hear you. Leaders, you own the responsibility for communicating most effectively with your team.  If you know they need time to process, plan ahead for two meetings so you are able to deliver the information and then follow up after they have had time to think. You need to flex your own communication style – be okay with being uncomfortable. It is good for you.

# Employee Retention: Five Things I've Learned from Exit Interviews

## Cheryl Latta

## DoveLewis Annual Conference Speaker Notes

Exit interviews are a common practice when an employee vacates their job. They are a constructive way for the employee to provide feedback about the company, feedback about their specific job, promote change or improvement, and air any grievances. But what are we actually doing with the information compiled during these exit interviews?

Often this information is just placed in their employee file and forgotten about, even when we have the best intentions. But what if we really used this information to its fullest as opportunities for growth within our company?

In my years of conducting exit interviews, there has been a theme of five main takeaways:

**Lesson One:** Provide Thorough Onboarding and Training

Too many times we hear of new employees complaining about their former employer's training program, or lack thereof I should say. Generally, a new employee is provided anywhere between a few hours to a couple of days of training, then they are thrown into the thick of things and expected to sink or swim in their new role. First, this doesn't exactly show that we value them as an employee. We are not setting them up for success in their new role or providing them with the necessary tools to feel confident. Second, it doesn't show that we value their role in our organization. Take for example a client service representative. If we do not give them adequate training, it doesn't show that we value our client experience very highly.  By doing this, employees are often left with an unsuccessful feeling and usually a general distaste for their new job.

The same is true for onboarding. Really welcoming your new employee to the team can go a long way. Give them introductions with each staff member and time to get to know them and about their individual role within your company.

By providing thorough training and onboarding, employees are shown early on that they are valued and that your company also values their role in your organization.

**Lesson Two:** Show Appreciation

Not receiving enough appreciation is a common complaint. I hear, "I don't feel appreciated" way too much, especially in this field. Let's face it, we're busy and often understaffed which can make it difficult to find quality time to show appreciation. But it's so important we find the time to do this. Instead of trying to show blanket appreciation (appreciation that's a one-kind-fits all) ask your staff how they best feel appreciated. It will likely look different for each individual team member. For some it might look like verbal praise after a job well done, for others it might look like a small treat or reward, and for others it might look like time away from work. It's key to find out how your staff best feels appreciated and to follow through with that type of appreciation and to give it frequently.

**Lesson Three**: Provide Feedback

I often hear from employees that they do not feel they were provided enough feedback about their performance. When I dig deeper, it actually becomes clear that they may not recognize feedback when they are receiving it. Staff tends to equate a formal annual review with feedback and little else. It goes without saying that feedback should not be held back and saved for an annual review. In fact, it should be given regularly. Employees desperately crave knowing how they are performance, whether it's good or has room for improvement. They can't fix what they don't know and our inherent nature as human beings is to do a good job. Set your employees up for doing a good job by providing them with constant feedback – both positive and constructive. You may even frame it with, "I'm going to give you some feedback…"

**Lesson Four:** Support a Good Manager-Employee Relationship

It's well known that employees don't quit a job, they quit managers. Employees can generally overlook things in a company they don't always like or agree with, but when it comes directly from their supervisor or manager, it's much harder to overlook. Now I'm not saying become close friends with all your employees. What I am saying is have an open door for them and support them in the ways they are asking for it. For some this may mean just general job support, but for others, having a manager that cares about them on a personal level, listens to them when they need to vent about home life, and is generally there for them in times of need is highly valued. I know our lives as managers get busy, but make the time for frequent one on ones with your staff members. You will find that just as your team members are unique individuals, they will use those one on one times uniquely as well. Get to know your employees and work to support a good working relationship with them.

**Lesson Five:** Conduct Stay Interviews

Stay interviews are a great way to get feedback from employees you may not get under any other circumstance. Stay interviews are generally conducted to help understand why employees choose to stay at their jobs and what might cause them

to leave. By conducting stay interviews with your employees on a semi-regular basis, you can actually better retain those employees. For instance, let's say an employee says at their stay interview they don't feel they have received feedback about their performance and go home every day unsure if they are doing a good job or not. This is the opportunity for you to change this. You control this. You can provide feedback in that moment and also schedule regular touch bases for you to give more constant feedback. By learning about this employee's complaint during a stay interview versus an exit interview, you are able to implement change and retain this employee – which as we know is far better than losing them and having to recruit, hire, train, etc. a new employee.

Exit interviews are often a bittersweet opportunity to get valuable feedback and information. It's important we use this information in some way to benefit our companies and our employees.

# That Moment When: The Impact of Empathy

## Tess Payne

## DoveLewis Annual Conference Speaker Notes

Despite having devices at our fingertips designed to connect you to others in an instant, making connections and building relationships feels harder than ever. But when part of your job is actually to make connections – from supporting your team to marketing to new clients – what can you do?

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**Empathy is at the core of compassionate communications, making it an essential component of every aspect of interactions with teams, clients and patients.**

- "Empathy" defined: "The action of understanding, being aware of, being sensitive to, and vicariously experiencing the feelings, thoughts, and experience of another of either the past or present without having the feelings, thoughts, and experience fully communicated in an objectively explicit manner" [1]
- Types of Empathy
    - *Emotional: "*the sensations and feelings we get in response to others' emotions; this can include mirroring what that person is feeling, or just feeling stressed when we detect another's fear or anxiety." [2]
    - *Cognitive:* "sometimes called 'perspective taking,' refers to our ability to identify and understand other people's emotions."[2]
    - *Compassionate: "*With this kind of empathy we not only understand a person's predicament and feel with them, but are spontaneously moved to help, if needed."[3]
- Levels of Empathy
    - While the studying of empathy is still a developing area, there are proposed levels of people's ability to experience empathy: 0 representing "someone with no empathy at all," and 6 representing "someone with unusually high levels of empathy."[6]

**How can you take a lesson from a simple tactic for marketing to veterinary professionals and apply them to greater experiences for the good of your team, your customers and your patients?**

- Meme: "an amusing or interesting item (such as a captioned picture or video) or genre of items that is spread widely online especially through social media" [4]
    - "Memes, while they may appeal widely, have the appearance of an inside joke that everyone is sharing and owning and creating."[5]

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- Journey Map: A tool used to visualize the "journey" takes throughout the entirety of their experience with you, from word-of-mouth recommendations through post-visit follow-up with your team. Drawing a map of your customer's experience can help you identify areas where empathy can make a difference in the level of care and service they receive.
- Personas: How do you describe the different characteristics of your customers? Developing general, fictional characters that represent the wide variety of customers you receive may help your team train to tailor their communication and actions in a way that will best suit each customer.
- Teams: Consider the interpersonal dynamics of your teams. Where do they buttheads and why? Identifying moments of conflict that are caused by a lack of empathy can open opportunities for coaching and training that could result in improved efficiency and communication.
- Patients: It's not just humans who benefit from empathy. What moments cause great fear or anxiety in your patients? Alternatively, are there moments during a patient's visit that set them at ease? How can you adjust your behavior to be more in tune with the patient's experience?

[1]Empathy. (n.d.) Retrieve October 19, 2018, from https://www.merriam-webster.com/dictionary/empathy

[2]Empathy Definition | What Is Empathy. (n.d.). Retrieved October 19, 2018, from https://greatergood.berkeley.edu/topic/empathy/definition

[3]Empathy Definition | Hot to Help. (n.d.). Retrieved October 19, 2018, from https://greatergood.berkeley.edu/article/item/hot_to_help

[4]Meme. (n.d.). Retrieved October 19, 2018, from https://www.merriam-webster.com/dictionary/meme

[5]Hellyer, I. (2015, August 12). We Asked a 'Meme Scientist' What Makes a Meme Go Viral. Retrieved July 16, 2018, from https://www.vice.com/en_ca/article/kwx3jv/we-asked-an-expert-why-some-memes-work-better-than-others

[6]The Science of Evil and Variations in Empathy. (n.d.). Retrieved October 23, 2018, from https://www.psychologytoday.com/us/blog/moral-landscapes/201106/the-science-evil-and-variations-in-empathy