

# TECH TIPS

TECHNOLOGY INSIGHT THAT BUILDS BUSINESS



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## November 2021



This monthly publication provided courtesy of Robert Zehnder President of Hodgson Consulting & Solutions.

### Our Mission:

To eliminate every technical frustration, obstacle and inefficiency for companies with multiple locations and/or a remote workforce.



## A Proven Method To Secure Your Business's Network

People don't usually think about small businesses when discussing cyber security. The media covers breaches in governmental and big-business security in excess. These entities usually have lucrative targets that attract the attention of hackers but are often backed up with an extremely protective network security system that's difficult to crack. When hackers can't break the big system, they turn their attention to easier targets.

While most hackers want the opportunity to crack a high-risk target, these situations are few and far between. Instead, they turn their attention toward much lower-hanging fruit. This is where small businesses come in; they still have access to money and data but have much lower defense than a governmental entity. Luckily, many average cyber security strategies can keep the would-be hackers away. Their methods are always changing, though, and it helps to be one step ahead of the game.

These are the best current cyber security strategies you can put into place.

### Cloud Security

Cloud security is the protection of data stored online via cloud computing platforms from theft, leakage and deletion. As more and more businesses switch from hard-drive data storage to remote databases, this practice is becoming more and more commonplace. Methods of providing cloud security include firewalls, penetration testing and virtual private networks (VPN), to name a few. While many people feel that their data and information are better stored on a hard drive on their own network, data stored in the cloud may actually be more secure, depending on the system's defense strategy. Be wary, though: not all cloud securities are made the same. Do your research and pick one that will best protect your data.

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## Network Security

Network security is the protection of the underlying networking infrastructure from unauthorized access, misuse or theft. This is what your network administrator will need to put into place in order to keep your devices and data secure. The best approach to protecting your network is to create a strong WiFi password. Random numbers and letters work best for a small business since nobody but those who need it will be able to guess the password. In addition to a strong password, you'll also have to anticipate any type of internal attack.

## VPNs And Firewalls

A VPN can help protect your security by masking your IP address. This essentially means that you'll be connected through a different server, making it much harder for the government or websites to pinpoint your location. It also encrypts all network data by creating a secure tunnel. A firewall is simply a shield that protects your computer from the Internet. Firewalls can help restrict access to sites that could be damaging to your network. Both of these tools can be highly effective when used properly, but they do not protect against all threats.

## Updates And Upgrades

While it might seem simple, consistently updating and upgrading your technology tools can keep you much more secure. The developers of many of these tools are constantly looking for new threats that pose a risk to their program. They'll issue patches to make sure any holes are filled. You just need to make sure that all of your tools are updated in a timely manner and verify that the updates are installing.

## Data Backups

You should always have multiple backups of your business's data. You never know when a power surge or some type of natural disaster might cause your current files to be deleted. You can prevent this issue by regularly backing up your data.

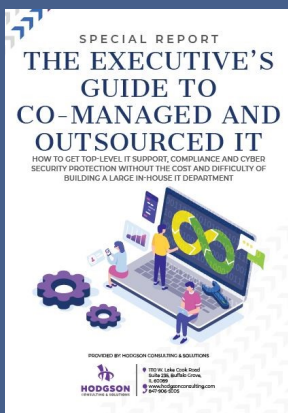
## Employee Training

It's important to limit employee access to systems and data owned by your company. Not everyone needs to have access, so only give it to those who can't work without it. There should also be some type of security training for all employees. Phishing schemes and weak passwords create just as many issues as hackers do. Finally, you should make sure everyone in your workplace is security-conscious. A single breach could critically hurt your business. Your employees need to understand this so they can be proactive as well.

No matter which route you take, the most important thing you can do for your small business is protect its network. Governmental entities and big businesses do not suffer from security lapses nearly as bad as small businesses. A security lapse could even stop your business dead in its tracks.

**“Many average cyber security strategies can keep the would-be hackers away.”**

## Free Report Download: The Executive's Guide To Co-Managed And Outsourced IT



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## A Perfectly Legal Way For You To Save A Bundle Of Money On Taxes, Computer Hardware, And Support, But You Have To Act FAST...

Managing a business is a lot like managing your weight — if you take in more than you put out, then you'll have major gains at the end of the year. And with both business and personal weight, those gains can have consequences.

As a business owner, the goal is to make as much profit as possible, but remember that those profits come with a nasty little caveat: taxes. The higher the profit, the higher the tax. Thankfully, this year Uncle Sam will show some mercy come tax time in the form of Section 179 deductions. As a disclaimer, we are not tax advisors and any planning or decisions should be reviewed or undertaken by your company's CFO or accounting professionals. Look at this as an overview to motivate you to take advantage of this new law.

### What Are Section 179 Deductions?

When we talk about 179 deductions, these are the classic "write-offs," but with an extra benefit. With many write-offs, you can only take partial deductions over a few years. For instance, you buy a car for business but you can only write off a portion of the car's value for the next five years. By definition, Section 179 in the tax code allows a business to deduct the value of a property that was purchased for the business against any profits (or losses) that may have been made throughout the year it was purchased and implemented, thus lowering the total tax burden. This "property" falls into the following categories:

**Business Personal Property:** This would include anything purchased for business use that isn't bolted to a floor or wall. This includes furniture, computers, software — even paper and pens!

**Machinery and Equipment:** This includes items purchased for businesses that are too large to move or might physically be bolted down. An example of this would be a printing press or conveyer belt.

**Business Vehicles:** These are cars or trucks that have a gross weight of more than 6,000 lbs and are used exclusively for business purposes.

**Listed Property:** This is property used for business purposes. What's interesting here is that it doesn't have to be 100% business-oriented, though you can only write off the portion that is used for business in proportion to time used. For instance: if you have a home office and you work for eight hours a day for five out of seven days in a week, that means that your home would be used for business purposes about

23.7% percent of the time and therefore you could possibly write off 23.7% of your mortgage.

**Capital Improvements:** If you make improvements to a building used for business, you can write off that expense. This also includes items like air conditioning or alarm systems.

### Section 179 Deduction Limits for 2021

Deduction Limit	\$1,050,000
Limit on Capital Purchases	\$2,620,000
Bonus Depreciation	100%

### What Does This Mean For Businesses?

It would not be an over-exaggeration to state that many small businesses wouldn't exist without these deductions. While Section 179 deductions may just mean larger profits for large corporations, they may end up being the *entire* profit margin for a small business. One reason for this is that capital expenditures make up a larger proportion of the total costs of smaller businesses compared to larger companies. Having the ability to take these write-offs in a single year can make all the difference in the world.

In addition, by having the ability to purchase equipment and property on such favorable terms, a small business may be able to purchase more than they initially planned on, thus helping them grow at a faster rate. On the other hand, if a company doesn't need more equipment or other purchases at that moment, they could invest the tax savings in other ways, such as hiring more employees, which can also contribute to business growth. As of 2018, limits have been raised from \$1 million per qualified capital purchases up to \$2.6 million. This is certainly more than enough for most small businesses!

### Include Deductions In Your Budget

Some view tax deductions as a bonus, but that shouldn't be the case. When creating a budget, deductions should be included as a part of your income or at least as a justification in increasing expenditures. Small companies, especially when new or in a growth phase, need all the liquidity they can get.

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As we are nearing the end of 2021, are you finding your company has extra funds sitting around? By taking advantage of Section 179 deductions, perhaps you're now realizing that you will have more to write off this year than initially thought and you'll have a lower tax burden than you'd planned on. Therefore, you may want to consider investing in yourself for next year. Budgets for newer businesses are notoriously difficult to plan since income forecasts won't be as predictable as they are for established businesses. While the economy is strong at the moment, we all know that this can change at the drop of a hat. If things are going well this year, it would be smart to capitalize on that by getting ahead of some of next year's purchases.

That extra ten pounds you've gained this year may not be doing you any favors, but the gains your company made will not only put more money in your pocket, it can also help you invest in the future. If you have any questions, consult with your tax professional to see which Section 179 deductions can be a boon to your bottom line.

Don't delay, the end of the year is coming quickly, if you've already checked with your accountant and it would save you tax dollars that you can invest in your business, let us help you get upgraded. Your employees will be happier, and happier employees are more productive and more productive employees put more money to the bottom line. Call us today and let's get a free site evaluation done for you. 847-906-5005 or email us at [info@hodgsonconsulting.com](mailto:info@hodgsonconsulting.com).



## Is Your Data Secure?

In today's culture, data security is more important than ever. It would be horrific for many if their personal information was compromised. Unfortunately, your data may not be anywhere near as secure as you might hope.

The Pegasus Project is an exposé that revealed that a piece of spyware can exploit a user's Apple or Android devices to take control of the user's device. A list of 50,000 victims was published that included government officials, business executives and royal family members – proving that nobody is safe.

Tech companies usually write extremely secure codes initially, but as new features roll out, holes are created in the defense that hackers can exploit. Pegasus proved that, in the software world, if an adversary is well-motivated, they will find a way in.

The key to staying protected from these breaches is depth. Multiple lines of defense are more protective, so don't stop at one. Though one security tech may have plenty of gaps, another could fill those and strengthen your security.

New security technologies are continuing to advance the security field. There are plenty of actions you can take to ensure that your data remains secure.

However, simply having an account is not enough.

In order to grow, you need to understand your customers and what motivates them. Provide them with an experience they won't be able to obtain anywhere else. Be sure to do this while also making your social media content relevant. If your account does not focus on your products or services, it will prove useless.

Build connections with and focus on your customers. Without trying to approach a specific type of customer, your message can get lost. It can be difficult to attract all of your customers at once.

More important than the rest is to make your presence authentic and accessible. Keep the big picture in mind and don't get lost in the weeds.

Happy Thanksgiving