

# Nagel on Finances: Time to get in on the fun of technology

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BY ROGER NAGEL

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RIO RANCHO, N.M. — Here's some encouraging news: "Declining costs and new capabilities have reached the tipping point. We're seeing a technology nirvana now, and New Mexico is at the center of a lot of it."

You may have read this quote of Col. Eric Felt, the head of the Space Vehicles Directorate at Kirtland Air Force Base in the Aug. 10 *Albuquerque Journal Business Outlook*.

Felt went on to say that emerging commercial technology will make up 80 percent of all new innovation and development, with the remaining 20 percent resting in the government sector. Sixty years ago, these roles were reversed.

Admittedly, I have been fascinated by technological innovation since elementary school. Landing on the moon was a big deal during my formative years.

In hindsight, those programmable hand-held "calculators" by Texas Instruments were a sign of things to come.

We all know plenty of ways in which digital technology has changed our lives. But, space exploration? Well, consider the following.

Despite the disruption of COVID-19, 85 percent of our economy is little affected and continues to experiment, innovate, build and create new things with synergy. This adds jobs and fuels our state and local economies.

It also creates a tax base other than federal government funding and extractive industries. We need that.

But equally important, if not more, exciting new developments tend to generate more exciting new developments, which soon cross industry lines and markets. We have seen this in our recent past.



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Watch for improvements in telecommunications, solar power applications and other industries. New, private-sector, commercial economic expansion will serve to create new demand in housing, dining, entertainment and retail sales. It will help fund our state and local governments.

How can our local, low-tech small businesses get in on the fun?

Start thinking beyond the next payroll. What can you begin to do differently today to pave the way for a new, better and more profitable future? New facility? More trained staff? More computers and enhanced software tools? New marketing campaigns and a beefed-up sales force for new customers?

Where will the money come from to fund these new initiatives? Will new sales generate enough profits fast enough to pay the way, or will you need to borrow funds from outside your business?

Talk with your commercial banker first, and then consider family, friends and neighbors. Even key vendors may help with liberalized credit terms. You do not know if you do not ask.

Now is the time to engage your key advisors. Share your goals and aspirations candidly with them. Get their initial response, listen and react objectively, not emotionally.

Surely, you will benefit from legal services for new contracts. Your seasoned CPA can help design incentive compensation packages to attract key people. They can create forecasts and projections for investors or lenders. They will challenge you to think differently.

The most experienced advisors will know the tough questions that need answering. They can find those who know the answers and can assist in validating assumptions, estimates and risk. Go have fun.

(Roger Nagel, CPA/PFS, CMA, CGMA, is the managing director of Nagel CPAs, LLC – Accountants and Advisors, serving the middle Rio Grande Valley and beyond. Learn more at [nagelcpa.us](http://nagelcpa.us).)