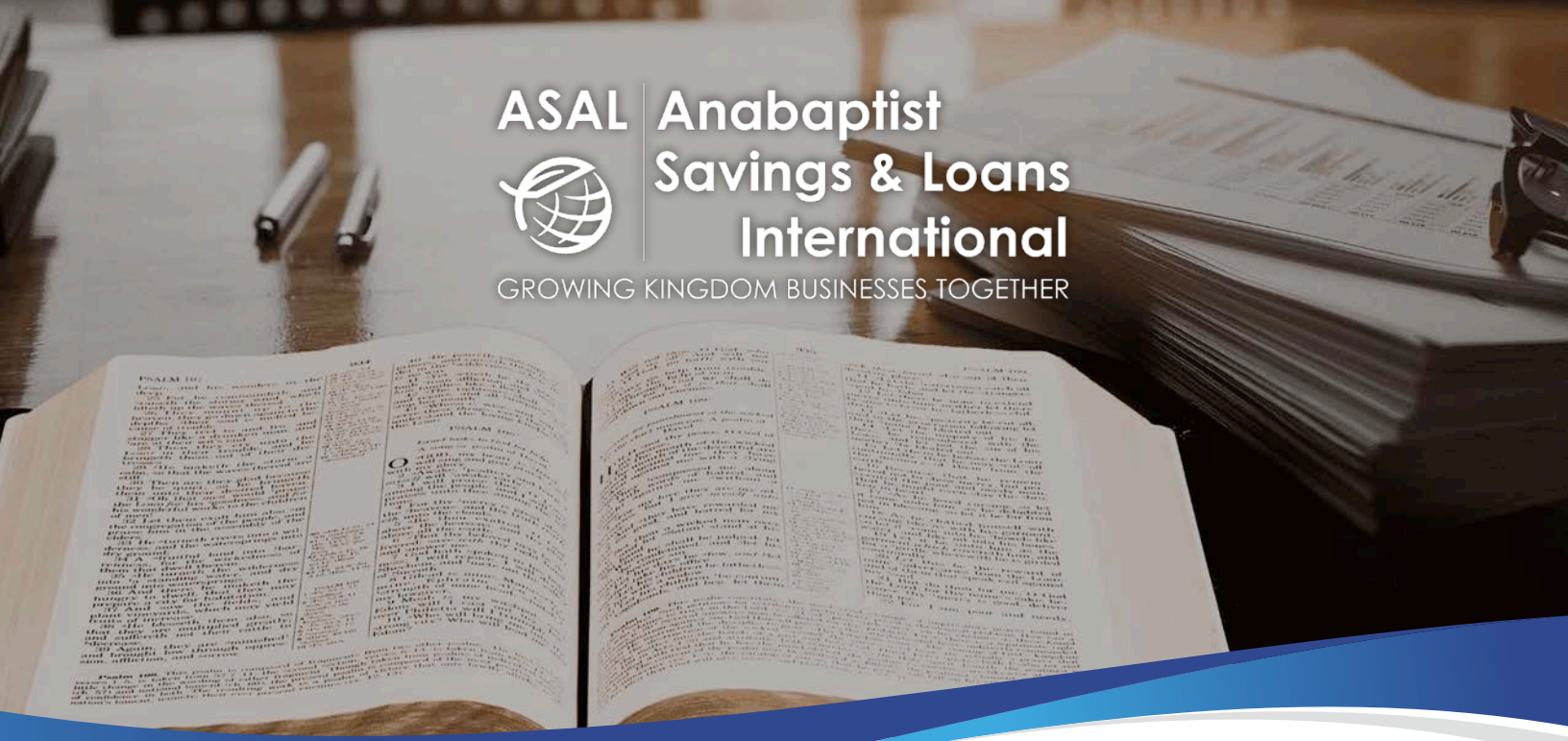

ASAL Anabaptist Savings & Loans International

GROWING KINGDOM BUSINESSES TOGETHER

ASAL BIANNUAL NEWSLETTER
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ORGANIZATIONAL UPDATE

OUR WORLDVIEW

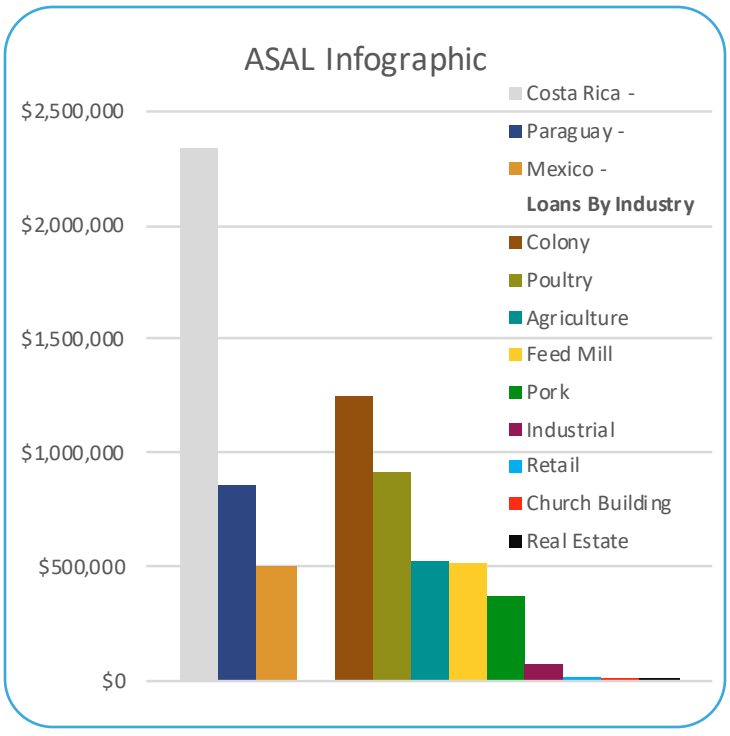
Leland Ulrich, CEO

—A Call to Action

In the previous newsletter, this column ended with an introduction to Dualism. Divorcing finances and business from the Kingdom directly violates the Scriptures. Our finances and business should come under the anointing and accountability of the Scriptures just as much as any other area of our lives. I would like to unpack this a bit in the recent historical context of the Conservative Anabaptist missionary movement in Latin America.

Historically, Conservative missionary Anabaptists clearly taught that we are to order and direct our homes, churches, and missions from the Scriptures. Business and finances were viewed, more or less, as a necessary evil. I say this in the past tense because I have seen this change over the years in a renewed hunger to understand what the Scriptures actually have to say about how to direct our finances and business—not just what it has to say against it.

Our Worldview—A Call to Action—continued inside



Our Worldview—A Call to Action—continued from front

The colonization movement in the late 60s included much preaching on materialism and apostasy. Materialism was seen as a key driver to apostasy. Church groups were categorized either as *"materialistic and apostatizing"* or as *"evangelistic and mission-minded."* I realize this is oversimplified and not completely accurate, but it does give some framework to the mental model quite prevalent throughout the Conservative missionary Anabaptist churches in Latin America from the late 60s through the 90s.

Ideas have consequences. One of the issues that would bear fruit over time is the fact that the *"evangelistic, mission-minded"* groups were seeking their financial assistance from the *"materialistic, apostatizing"* groups. As the Latin missionary Anabaptist groups matured, the next generation entered the workforce and church leadership, and many began to see the need for local sustainability. This influenced more forward-looking preaching and teaching, and seeds began to be planted for local sustainability. However, great concern continued to not lose the warnings against materialism and apostasy that had permeated the preaching and teaching of the previous generation.

The 90s began a trend of young people moving back to the USA for jobs, with the goal of saving up enough money to return to Latin America and establish their livelihoods there. This seemed like a great idea, since you could make a lot of money in a short amount of time (by comparison), giving young people and young families an economical boost. After all, their parents had not started from scratch in Latin America. They had come with at least some funds when they settled there in the late 60s and 70s. As you can imagine, this trend had consequences. Not

all young people came back to Latin America but decided to stay in the USA. Those who did return often did so with a different worldview on what local sustainability could or should look like.

This article is a call to action for our worldview on this subject to be directed by the Scriptures and the anointing of the Holy Spirit. Seldom does one generation have it all right. But neither did they have it all wrong. As I examine the core message that our grandparents preached in regards to business and finances from the Scriptures, I see their message as pertinent, but incomplete. The focus tended to be more on the warnings of Scripture on this topic. We should seek to build on this message rather than throw out the baby with the bathwater. We should build on this message by searching the Scriptures for direction on how to conduct our finances and business in a godly manner.

In many of our churches across Latin America, the third generation is entering church leadership, and the fourth generation is beginning to enter the workforce. Addressing the subject of kingdom business and finances should be something we take very seriously. *(To be continued)*

Watch our next newsletter for:
Biblical Perspectives of
Kingdom Business & Finances

*For which of you, **intending to build a tower, sitteth not down first,** and counteth the cost, whether he have sufficient to finish it?*

KINGDOM TEACHING

BUSINESS NUGGETS

Leland Ulrich, CEO

Budgeting vs. Forecasting

In the previous newsletter, this column referenced Luke 14—counting the cost before building a tower. The clear inference in this parable is the need for creating a budget for the project or business before we begin. Whether a three to five-year plan for a business startup, or simply a budget for the next 12 months, we need a financial plan prior to beginning.

Most businesses are at least somewhat familiar with budgets. However, I find few businesses actually *DO* the budgeting process well, and even fewer have a methodical approach to forecasting.

The budget is the financial road map set for the year. Forecasting is the mini-game focused on current realities, and how to get back to budget or how to respond to a budget surplus.

Budgeting versus Forecasting can be compared to a flight plan for airplanes. The pilot creates a flight plan to safely arrive at the final destination. However, I'm told airplanes are off course much of the journey. Just like airplanes frequently need to adjust their course to get back on track with the flight plan, forecasting is the process of identifying where we are—in relation to the budget—and creating action plans to get back on course.

Forecasting should happen on a monthly and quarterly basis, whereas the budget is set annually. The most common trigger for forecasting is the Budget Variance Analysis (BVA) and is done monthly, quarterly, and annually.

Budgets normally impact the following list of issues in a company.

1. Performance pay and bonus plans
2. Guide the overarching capital decisions
3. Impact the infrastructure decisions
4. Top-level and management hiring decisions
5. Become part of the business plan
6. Inform balance sheet decisions

Forecasts normally impact the following list of issues in a company

1. Monthly corrective action plan
2. Short term decisions
3. Short term hiring decisions of front line workers
4. Overtime guidelines
5. Quarterly and monthly focus decisions
6. Current short term realities

For Example:

You set the budget for the year and in March a Black Swan like COVID-19 hits. Many companies re-forecast the following quarter in the first two weeks of COVID-19 based on their current understanding of what may happen. A month later some companies realized it was going to be much worse, while other companies realized COVID-19 was actually going to boost their sales, causing them to again re-forecast to adjust for current realities. While every year may not be this volatile, the forecasting tool gives you a way to plan for the near term without constantly changing the budget. At any point, you can refer to the budget to see how you are performing in relation to the plan for the year. The budget is the foundation for the yearly plan while forecasting is the mini-game on how to get back on track.

5 REMINDERS For New Business Owners

LaRay Stover, VP of Finance

- **Be Deliberate**

  Keep your mission and purpose in mind when making decisions.

- **Be Systematic**

  Have a regular schedule for doing book work. Allowing it to pile up and then tackling it on a rainy day is a sure way to add to the "headache" of desk work.

- **Be Organized**

  Utilize one of the readily available record keeping programs. Have an organized filing system to make it easy to locate records during tax time or an audit. Keep records for a minimum of 3 years.

- **Be Transparent**

  Whether you are applying for a loan or working with a partner, provide all the requested information. Don't intentionally keep that loan from Uncle John off the record.

- **Be Prompt**

  If your vendors extend credit terms, do not take advantage of them. Pay bills and employees promptly. Issue invoices at the time of sale to correctly track revenue.

THANKFUL for Your SUPPORT *IN COSTA RICA*

George Dueck Family

TESTIMONIAL FROM THE FIELD

The George Dueck family is involved in the operation and management of a feed mill and egg layer business in Costa Rica. ASAL has the privilege of working with them in the business mentoring program. It has been an interesting journey for both, as we navigated the various scenarios of a very uncertain year that included all the unknowns of the effects of COVID-19. This year—2020—certainly has tested many businesses with lots of uncertainty and has made forward-planning an important part of the financial mentoring process. Following are a few words from the Duecks' perspective:

The last eight months have been busy months for the companies. With COVID-19, a lot has changed in our daily routines.

But in general we are grateful that it hasn't affected us financially more than it has. For Granja La Estrella (The Star Farm), it has actually been a benefit, since it seems like everybody likes eggs. Sales have been good. And as a management team, we have really enjoyed and benefited from the coaching received from the ASAL team.

It has been harder on the feed industry because of pork and chicken. Pork and broiler sales dropped quite a bit and are still recovering. With a line of credit from ASAL, we have been able to keep a better inventory and have been operating normally. Also, the coaching has helped us plan and work through difficulties. In general the management team has really benefited from the ASAL coaching.

Thanks for your support, George Dueck

2020 GLOBAL PANDEMIC

Roman Miller, Communications Officer

For God hath not given us the spirit of fear; but of power, and of love, and of a sound mind. (II Tim. 1:7). The global COVID-19 pandemic of 2020 has produced a number of difficult and dramatic changes for families and businesses worldwide.

Fear tends to paralyze and makes it difficult to make rational decisions. However, fear does motivate action. As noted in the quoted verse above, God has given us three important items as good focal points.

POWER: Through this pandemic, those in authority made some very life-changing decisions. Some of those decisions had serious financial consequences for businesses and families. Many struggled to adjust and find a new way forward. Three important sectors of our lives—family, community, and business—needed to make serious adjustments to schedules and activities. Maintaining healthy businesses became an important concern as they are needed financially for a healthy community. We can receive strength (power) to navigate through these difficult situations. Working together, willing to be flexible, and helping each other, were very important through this difficult time.

LOVE: Greater love hath no man than this, that a man lay down his life for his friends. (Jn.15:13). Love can be compared to the oil in the motor. Love motivates us to do the things that need to be done, to make things work. Love casts out fear, keeps us humble, and helps us submit and make good choices. Many changes happen in a lifetime. Love gives us the flexibility needed to make decisions for the overall good of our family, community, and business.

SOUND MIND: Let this mind be in you, which was also in Christ Jesus… (Phil. 2:5). When we analyze the teachings of Jesus, it becomes clear how a sound mind thinks. It's important that we learn from the example of Jesus, on how to use our mind. Jesus often referred to common everyday examples to make a point. "Common sense" implies that important things are learned through everyday experiences as we go through life. When good decision making is needed in difficult and uncertain times, dialogue and sharing of information from common, real, and everyday past experiences often provides a good base from which to draw conclusions. When making difficult decisions, real consequential risks are often involved. So it is very important that we have a broad base of people to consult for input as we plan a way forward.

In conclusion, the global pandemic of 2020 has taught us some very valuable lessons, such as:

Working together with the greater community with respect and awareness…

Willingness to accommodate ideas and activities that may not be considered the normal way of doing things…

Understanding the importance of not being overwhelmed by emotions…

Getting a broader understanding through dialogue, research, and advisory teams…

The reality that we are globally connected—healthwise as well as financially—behooves us to cultivate an atmosphere of shared responsibility, as we navigate through these uncertain times.

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DISCIPLESHIP | LOANS | INVESTMENT

ASAL Fall 2020 Newsletter

WHO WE ARE

Anabaptist Savings and Loans International (ASAL, pronounced Ah-SAHL) is a Conservative Anabaptist non-profit organization that promotes Christian stewardship and business. North America is home to ASAL USA, which makes capital available to ASAL International via loans to the local ASAL company in each particular country. ASAL USA meets the requirements to sell securities in the following states: IN, IL, MO, NY, OH, PA, and TX.

VISION

Sustainable
Kingdom Communities

ASAL | Anabaptist Savings & Loans International

GROWING KINGDOM BUSINESSES TOGETHER

MISSION

Building Sustainable
Kingdom Communities
One Business at a Time!

TRIPLE BOTTOM LINE

Discipleship in

Kingdom Impact | Social Impact | Financial Impact

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