

## FAQ FORMULA SERIES

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SIMPLE VS. EASY

### Question:

What is the difference between “SIMPLE” and “EASY”?

### Facts:

This is a surprisingly tricky question. Many business people launch into projects thinking that they can achieve them quickly because they are simple but fail to understand the difference between simple and easy.

### Discussion:

Let's give a real life example and then a tax accounting example:

SIMPLE is lifting a 300 pound rock. The action of lifting is simple. It is not easy because the rock weighs more than a regular human being can lift.

EASY is using your iPhone to remotely control your home lighting system. Apple and other technology companies have invested billions of dollars in making the experience of using a smart phone to do something that would have been called black magic a hundred years ago. The billions of dollars were spent because it was not a SIMPLE task.

SIMPLE is a filing deadline for your taxes. This sometimes is not easy because the information that goes into a tax return filing can be thousands of pages of data that needs to be reviewed and compiled in a short period of time.

EASY is receiving a tax refund. This is often not simple though as there are many checks and balances in the taxation system that prevent the straight forward flow of information that can trigger a refund. We call it “red tape” from the Canada Revenue Agency. Things like the relocation of a taxation office can trigger havoc. Other things like the simple order of events can prevent refunds. For example, when a company is closed and a refund is triggered, that refund comes on a cheque made out to the company. Technically, you can not cash that cheque because the company does not exist anymore. There are work arounds but they are not simple or obvious.

The point of making this distinction between SIMPLE and EASY is to make the point that in the numbers world and the “formula for success” viewpoint of that world, each transaction and each event can be either SIMPLE or EASY but is rarely both.

### Recommendation:

We at Gilmour Group Chartered Professional Accountants have years of experience telling the difference between SIMPLE and EASY. And more importantly, we have the experience and work arounds to make HARD tasks appear EASY. If you would like more information on this FAQ, please contact us.



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