

THE MONTHLY CEO ADVISORY

FEBRUARY 2020

VOLUME 1, ISSUE 2

Dear Friends,

I am pleased to provide you with the second issue of *The Monthly CEO Advisory*.

One of the most common challenges facing my CEO clients is "Getting Things Done." Leaders are often distracted from the moment they enter the building and long after everyone else has left for the day, find themselves sitting at their desk wondering where the day went and when they will ever find time to work "on" the business and not "in" it.

My article "What You Need to Do in February" follows and it is my hope you'll print it out and look at it daily to help you get back on the track of running your company and not allowing it to run you.

In addition to the educational and highly interesting columns from our regular contributors, I am pleased to announce a new contributor, Paul Mitchell, on the subject of Sales Management. Paul is the sales pro you need to speak with if your sales engine is not performing the way you want it to.

Our monthly line-up of short (one page) articles now includes the following categories:

- Employee Benefits
- HR Compliance
- Business Growth & Profitability
- Commercial Insurance
- Manufacturing Excellence
- Information Technology
- CFO Insights
- Commercial Real Estate
- Alternative Financing
- Sales Management

Please feel free to pass along *The Monthly CEO Advisory* to others in your network that might benefit.

If there is a topic you want to learn more about, please email me.

In the meantime, enjoy these terrific articles and thank you for allowing us to be part of your continued business education efforts and your success.

Sincerely,



Ken Keller
CEO

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The Monthly CEO Advisory is a publication for business leaders. Please enjoy the articles, send us any suggestions of topics you would like to see covered and pass this on to others so that they might benefit. Thank you. Ken Keller

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BUSINESS GROWTH & PROFITS

WHAT YOU NEED TO DO IN FEBRUARY

It's the start of the second month of 2020. Hopefully, you've nailed down your business plans for the year, and assignments to key result areas are known and both responsibilities and resources for achievement allocated.

If you want a great year it helps to have an atmosphere of optimism and positive feelings with a strong start.

Now that everyone is back to work, here are some assignments for you, the top executive, to complete to help your team continue the efforts throughout the year on the right track.

- ✓ Answer this: what specific results am I being paid to achieve as the leader of this company? Review how much time you spend on each desired result and compare it to the total time you spend at work. How do you narrow the gap?
- ✓ List ten tasks you could eliminate doing. List ten tasks that you currently do that would be better off delegated. Take action on these two lists at once.

- ✓ Reach out to twelve customers this month. Ask how they see your organization, what they think of it, what kind of company they believe it is and what they want from it. Share this feedback with all your employees.
- ✓ Ask yourself "Am I a leader who treats all my employees as my helpers?" List ten ways your company could be more profitable and efficient when every employee is encouraged to assume greater responsibility.
- ✓ Ask all the individuals with manager and supervisor titles to be prepared to answer the question "What should my contribution as a leader be to the company?" at an upcoming staff meeting. Give time for everyone to think about this.
- ✓ When holding this staff meeting, get answers from each person. If someone comes without an answer, or with an answer that is not serious, excuse them from the meeting. Why? Some with management titles might not be sincere about their role, regardless of their age; blood or marriage relations or how long they have been on the payroll. Having a better 2020 means your managers

must step up to the responsibilities of managing. You must set the tone.

- ✓ You already know who your most capable people are. The question is: are your best people addressing the biggest opportunities or the biggest problems? What and when will you make the necessary changes for continued growth?
- ✓ Make your list of the top ten reasons why your company is an attractive place of employment. Add this to the agenda for the next staff meeting and share your list. Have each manager create their own list of at least three new, additional reasons at the meeting. Take the entire list and have each employee rank the reasons so management will know what employees really value.

At the end of the month, conduct a reality check. Pick the most critical functions in your business and review with the appropriate managers whether or not so far in the New Year the most important things are being measured. In sales, for example, companies offer measure closed deals and volume. Those are trailing indicators to sales effectiveness. Exceptional companies look up the sales funnel to uncover (and measure) the leading indicators such as prospecting efforts, daily sales calls made and pending proposals. If you want a different result in 2020 change what is measured.

Make sure that every employee understands what it means to "own" a key result area. This can only be done when you take the time to sit down with managers and ask unpleasant questions to insure understanding and acceptance at the management level. Your managers can't teach their employees what they don't know and do themselves.

Here's wishing that your 2020 is the best year ever for you and your company!



Ken Keller

I work with Business Owners, CEOs and Presidents leading companies with 20 or more employees, providing advice to increase revenue, decrease costs and improve profitability.

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COMMERCIAL REAL ESTATE

TURNING AWAY FROM OPEN OFFICE PLANS

The right office space and layout for your business are key to maximizing productivity and minimizing employee turnover and stress. But what type of office plan is best?

When Google converted their headquarters to an open office plan in 2005, they started a trend that's still alive and growing today. If Google has an open office plan, then clearly, it's a successful strategy, right? Not to mention, open office plans can save businesses a lot of money by reducing square footage needs.

However, the research has taken a stand, and the open office plans that have taken hold in the business world appear to be detrimental to employee productivity, morale, and collaboration -the opposite of what was intended. Here are myths about open offices with alternative solutions to achieve the intended goals:

ENCOURAGE COLLABORATION & COMMUNICATION

The primary goal of an open office plan was to encourage collaboration and communication between employees. The thought was that with no separated offices or cubicles there will be no physical distance or pesky doors to get in the way of communication. As it turns out, open office plans actually *decrease* in-person communication and collaboration. With no privacy, employees might feel disruptive talking to one another or be more hesitant to share

ideas if it means they have to do it in front of the whole office.

Your team is full of diverse people—some who work well with ambient noise, and some who need complete silence to prosper. Some people prefer to share their ideas in a more private space, and you don't want to lose out on those opportunities for collaboration. An ideal way to ensure your employees can collaborate while still having the space to focus and share ideas in smaller groups is to provide diverse types of spaces. For example, you might provide a "quiet" area and a "collaborative" area, giving employees laptops and allowing them to roam, depending on their mood, task, or needs. This wouldn't necessarily eliminate the cost savings of eliminating private offices, but it still gives your employees the choice to work in the environment that works best for them.

ELIMINATE HIERARCHY & DIVISION BETWEEN TEAMS

While open office plans do encourage collaboration between different departments and teams, they can actually emphasize a corporate hierarchy more than a closed plan. For example, Facebook founder and CEO Mark Zuckerberg has a plain white desk in the open office plan just like all of his other employees—but he also has a private conference room where it's rumored, he usually works.



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An alternative is to offer each employee their own office or desk in addition to providing shared spaces, that way everyone has the benefits of privacy.

Ultimately, open office plans aren't worth the cost savings. In exchange, you may be sacrificing productivity, morale, and collaboration among your employees. Consider investing in an office space that can accommodate diverse needs for privacy, noise levels, and collaboration.

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COMMERCIAL INSURANCE

THE LITTLE DEMON THAT MAY BE LURKING IN YOUR COMMERCIAL PROPERTY INSURANCE POLICY

I'm amazed how many insurance buyers are unaware of the various carrier focused safeguards that have been inserted into their policies. I'm more surprised by how many Commercial Insurance brokers fail to explain what these ticking bombs mean in the event of a large loss.

I see Commercial Property or Package policies with a feature added called a Coinsurance Clause. While the carrier might tell the insured that this clause allows them to lower their premium by insuring for less than 100% of the actual Replacement Cost value of their property, in the event of a large property loss, the reality of Coinsurance can be a significant shock to the insured.

Coinsurance can decrease the annual premium, by allowing you to pick a coverage limit that is supposed to represent 90%, 80% or even 70% of the actual Replacement Cost value of a structure loss. Since the insurance

carrier is rating the annual premium based on just 70% of the actual values at risk to loss, you just saved 30% in premium.

If your company's Commercial Property Insurance policy includes a Coinsurance Clause, the insurance company will pay *less than* the full amount of any loss, if the actual Replacement Cost value of Covered Property at the time of loss (as determined by them), multiplied times the Coinsurance percentage you selected, is greater than the Real Property coverage limit selected by you in your policy. In other words, if you unknowingly (or purposely) underestimate the actual Replacement Cost value of your building at the time of the loss, you are subject to a Coinsurance Penalty.

Without accounting for a deductible, here's an example of the danger posed by under-insuring when there is a Coinsurance Clause in your policy:

Imagine you are setting up the new Commercial Property policy for your company's building at renewal. Based on an estimated Replacement Cost

of say, \$150 per-square foot, you peg the actual Replacement Cost value of your company's commercial building at \$1,000,000. The carrier is requiring that there be a Coinsurance provision in the policy, and you select a Coinsurance percentage of 80%. The minimum Limit of Insurance you can carry to meet your Coinsurance requirements should be \$800,000, so that's the Real Property limit you select.

Several months later your company suffers a bad fire, and it's going to take \$500,000 to do the repairs. The next bit of bad news you receive is that the claims adjuster has determined that the actual Replacement Cost value of your building is not \$1,000,000 as you estimated, but \$1,200,000, and they are invoking the Coinsurance Clause. Instead of paying you the full amount of the loss, *the insurance company* will determine the most they will pay, by using a formula.

If your company has significantly undershot the Replacement Cost amount as determined at the time of the loss by the insurance carrier, this process can leave the claims payment your company receives, woefully below the amount of the financial loss you sustained. The best way to avoid this problem is to work closely with your broker. Ask them to negotiate the Co-Insurance Clause off the policy if they can. If that isn't possible, it's very important to make the time to do the research required to establish the most accurate estimate of the structure's *actual* Replacement Cost value possible.



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HUMAN RESOURCES COMPLIANCE

GUARD YOUR COMPANY AGAINST EMPLOYEE GHOSTING

As the unemployment rate in California remains low, currently 3.9%, a new phenomenon in recruiting and hiring is taking hold. Called “ghosting,” this term is most common in the dating world, but in the working world, it’s when job seekers abruptly cut off contact with employers and vanish.

Ghosting does appear to be a relatively recent phenomena, as 69 percent of workers and employers said in a recent survey that they believe it started within the last two years. But in this short time, 83 percent of employers say they’ve been “ghosted,” and 18 percent of job seekers say they’ve ghosted during the hiring process, according to a recent Indeed survey.

Job seekers usually ghost by:

- Not show up for job interviews (84 percent)
- Not responding to recruiters’ or hiring managers (46 percent)
- Accept a verbal offer only to disappear (60 percent)
- Accepting a written job offer but not showing up for the first day of work (22 percent)
- Stop communicating without explanation (64 percent)

Recruiting and hiring is already a costly and arduous task for employers, which makes the growing ghosting issue another frustrating hurdle.

WHY GHOSTING HAPPENS

Candidates may ghost because they’re inexperienced: 26 percent said they weren’t comfortable telling the employer they had a change of heart and 11 percent said they just didn’t know what to do, so they disappeared.

Poor recruiter communication could be another reason: About 13 percent said general communication with the recruiter caused them to ghost the employer. Some even said that they felt they were lied to or misled by a recruiter, while others mentioned the employer’s rudeness or poor attitude.

Many ghosters may do it because they can; 94 percent of ghosters experience little to no consequences for their actions.

HOW TO PROTECT YOURSELF

Ghosting may be on the rise, but employers can take steps to protect themselves from disappearing candidates.

Though it’s impossible to accurately predict or prevent ghosting, you can protect your company and help position yourself to get the new hire in a competitive market.

- Employers should do a checkup on how they interact with applicants
- Make sure your hiring managers are setting a good tone for your company
- Be courteous to job applicants
- Thank applicants for their resume
- Follow-up applications emailed directly to you

Companies dealing with hundreds of applicants need to automate their processes. But automation doesn’t mean you should throw common courtesies out the window — such as

- Acknowledging receipt of the resume
- Providing updates on the process
- Communicating promptly if the applicant is denied

And it doesn’t hurt to talk about the ghosting phenomenon early in the process and set some expectations — let candidates know what they can expect from you during the process and what you expect of them. For instance, consider a deadline when you extend an offer — if you haven’t heard from the candidate by 3 p.m. Thursday, the offer is no longer valid.

After all, your recruitment process is the first experience someone will have with your organization. In a tight labor market, it’s important to start on the right foot.

Additional sources:
CalChamber’s HRCalifornia & ThinkHR



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MANUFACTURING EXCELLENCE

PLAN – DO – CHECK – ACT

PDCA. It's a simple concept.

PLAN. DO. CHECK. ACT.

A commonly used management approach for project management and process improvement. But with the challenging full employment environment we are all facing, have we considered the implications of this process in the arena of employee recruitment?

PLAN.

You have thought through the position you need to fill. You have thoughts about the potential candidate. But have you developed a written plan? Have you committed it to paper? Have shared the plan with others for feedback, suggestions and improvements? What would this plan include?

The plan should include a profile of the successful candidate. It should include the inputs of valued employees and colleagues. It should consider the range available recruitment resources, both internally and externally. Will incentives be provided? Have we made plans for the eventual on-boarding process for the successful candidate? How will this be communicated to stakeholders in the process?

As an example, let's take a deep dive into one element of the plan: the candidate profile. What are the elements which will contribute to the candidate's success in this role? Are there relevant life experiences which have prepared him/her for this position? How have they dealt with conflict in the past? What key personality characteristics will contribute to their success in this role? Will they be a good fit for our organization? What is their emotional maturity level? Are they self-aware? What are their work values? Are they looking for a job or a career? Will they vest themselves in the goals and vision of our company? And many more.

The process of committing these questions to paper, in and of itself, will drive us to be better prepared as we enter into the recruitment process.

DO.

Now it's time for action. It's time to put the plan in practice. It's time to put the resources I have identified in my plan to work. Am I using an outside recruitment agency? Am I utilizing my network of employees? Have I announced to my peers in industry that I'm looking for a particular employee? Have I established a sufficient network over the years outside of the four walls of my own business the support my recruitment effort?

CHECK.

It's time to check my progress. Am I getting the flow of good candidates I'd hoped for? Is the salary I'm offering competitive? Am I doing an effective job in selling the position? Have I positioned my company as an attractive career alternative?

ACT.

If you have been successful in finding the candidate you are looking for, congratulations!

If not, it may be time to re-assess your plan. Are you making the necessary investments in time and capital for this recruitment effort? Have I deployed an effective communication campaign? Have I explored all options? Are my financial perceptions holding me back?

It's interesting to me that as manufacturers, we presume without debate that the up-front cost of major equipment will be depreciated over a 10-year time span. Consequently, our price sensitivity is immediately reduced by a factor of 10. But when it is suggested that we spend \$20,000 - \$30,000 on a recruitment expert, we experience severe sticker shock. But do I really think this employee is only staying for a year or less? Let's be realistic. The average employee is going to stay a minimum of 3-5 years. But the possibility of 10 years is not unreasonable. Now that recruitment expert starts to look like quite a bargain. Isn't finding the right candidate worth a few thousand dollars?

After making the appropriate adjustments, repeat the cycle. Do. Check. Act. Repeat until complete.

It's a simple concept. PDCA. It's also reliable and effective. Enjoy!



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INFORMATION TECHNOLOGY

SIX THINGS TO AVOID WHEN SELECTING A NEW IT SUPPORT COMPANY

I can only imagine the fear and frustration when you realize you need a new IT support company, but you don't know how to go about finding one. The challenge is finding the right IT company in a market littered with too many to count and where everyone looks and sounds the same. Ultimately, you're left with "IT sucks, so whoever sucks the least and whoever costs the least – I'll go with them!" What a horrible position to be in!

However, picking the wrong IT company leads to frustration, cost overruns, and could even be an existential threat to your business.

Here are 6 things to avoid when you start your search:

1. CHOOSING BASED ON COST

It's human nature to want to get the best deal possible, but at what cost? Cheaper rarely equates to higher value — and this is so true when it comes to IT services. You get what you pay for. All too often, lower cost usually translates into a losing proposition over the long-run. Rather than focusing solely on price, it's important to evaluate the value of an IT Company by all that it brings to the table - industry specific knowledge, experience, capabilities, breadth of services, etc.

2. ARE YOU A "CUSTOMER" OR A "CLIENT"?

The language of "customer" vs. "client" is an important distinction that says a lot about how an IT Company values their business relationships. A customer is someone you sell something to; a client is someone you have

a relationship with. Stay away from anyone who refers to you as a "customer." It's a tell-tale sign of the maturity of the company as well as their overall approach. A true trusted advisor would never call you their "customer".

3. INEXPERIENCE

While it's true that everyone has to start somewhere, it doesn't mean that you should subsidize their learning curve. Even when they honestly try to do a good job, their inexperience can cost you dearly in terms of performance not to mention the increased risk of diminished cybersecurity protection.

4. DISORGANIZED AND UNCOMMUNICATIVE

No one wants to feel like they're pulling teeth to get information out of their IT partner. Make sure part of the deal is that you get detailed and up-to-date documentation.

5. USING AN IT COMPANY WHO ACTUALLY ISN'T DOING THE WORK

It's surprising just how many IT companies outsource their help desks - even overseas. Typically they're not upfront about this because it's certainly not a selling point. This approach delivers poor customer service and could expose you to increased cybersecurity risks.

6. MISLEADING OR FALSE QUALIFICATIONS

A trick that unscrupulous IT companies use is to list logos of the companies for the products they sell on their website implying that they're certified by them. This tactic is used to lull



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FOUNDER & CEO

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prospective clients into a false sense of confidence.

A critical way to identify a top tier IT company is by understanding the quality of their staff. Nothing tells you more than how a company hires, develops, and retains its employees. Here are a few questions to ask:

- What's your hiring process?
- What's your review process?
- What's your retention rate?
- Do you have a formal training program for new hires?
- Do you have an individual training budget for staff?
- What certifications do your staff have?

Ultimately, it's all about trust. So, you need to ask the right questions.

Selecting a new IT Service Provider doesn't have to be a horrible experience - when you know what to look for (and what to avoid).

COMPANY BENEFITS

YOU'RE PROBABLY PAYING TOO MUCH FOR DRUGS

Prescription drug costs keep rising each year which means more money of out of your pocket.

We have 8 tips on how to save money on prescription drugs:

TIP #1: Go Generic.

Bypassing a brand-name drug can save you up to 80%! Doctors prescribe the newest and greatest based on pharmaceutical salespeople that give them samples. An example is an antibiotic that you take 2 times a day for the brand name drug or the old generic version you take 3 times a day. \$10 or \$150, which would you prefer to use?

TIP #2: Consider paying for your drugs with cash instead of using your insurance.

Stores such as Costco, CVS, Rite Aid, Walgreens, and Walmart offer discounted generic drugs for as little as \$9 for a three-month supply. You just pay a few dollars out of pocket. This could be cheaper than using your insurance. Ask the pharmacist whether paying cash or using your insurance is better.

TIP #3: Make sure your medications are on your health plan's 'preferred' list.

Health insurance carriers have 3 tiers of drugs. Make sure your drug is not on tier 3, the 'nonpreferred' list. Tier 2 which are preferred brand name drugs may cost you \$30-\$50 where Tier 3 can be hundreds of dollars.

TIP #4: Signing up for mail-order prescriptions directly from your insurance carrier can save you money 90 days' supply.

Some insurance plans might offer (or possibly require) maintenance prescriptions that are filled and delivered by their mail-order service from the carrier pharmacy. This can be convenient and you usually get a discount for buying directly from the carrier's pharmacy. Many health plans provide you a 3 month's supply of the drug for the cost of two months. Over the course of a year if your co-pay is \$40 you can save \$160 by purchasing through the mail order service. Mail order is not always the cheapest so price shop.

TIP #5: Split pills when safe.

Instead of getting a 10 mg version of a pill, buy a 20 mg version and split it in half. Get a pill splitter. Never do this without talking to your doctor or pharmacist first.

TIP #6: Tell your doctor that cost is a concern.

Let your doctor know cost is a concern and you would rather use generics.

TIP #7: GoodRx.

GoodRx is a website, www.goodrx.com, that can provide retail drug prices at pharmacies. Don't go to the pharmacy without checking drug prices at GoodRx first. Compare prices and print coupons or save the coupons on your smart phone.

As an example, a 1000 mg 90-day supply of Metformin, a common generic for the treatment of diabetes, has the following prices as of January 1, 2020:

STORE	90 DAY SUPPLY
Ralphs	\$9.38
Costco	\$9.78
Walmart	\$10.00
Vons	\$10.24
Rite-Aid	\$16.53
Walgreens	\$18.96
CVS	\$28.32

TIP #8: HealthWarehouse.com

HealthWarehouse.com is an online pharmacy that can offer drugs at costs below pharmacies for generic and brand names drugs without using insurance. If a drug is not on the preferred list and Tier 3 from your health plan go to www.healthwarehouse.com and check out their prices.

We comparison shop for TVs, washing machines, dryers, etc. it's time we comparison shop for our prescription drugs.



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CFO *Insights*

IS MY COMPANY TOO SMALL FOR BIG DATA?

In the strictest sense, if someone means the ability to analyze terabytes (as in 1,000 gigabytes) of transactional data for nuanced customer behavior for a small to medium size business, then the answer is 'yes.' That said, one of the greatest exploitable opportunities ignored by business owners is utilizing their own transactional data, through data analytics, to gain actionable intelligence for

improved efficiency and profitability. You may wonder, where is this transactional data we are referring to. Well, do you use QuickBooks, Sage, SAP Business One, Fishbowl or just about any other accounting/ERP system other than paper ledgers to run your business?

"THAT'S WHERE THE MONEY IS!"

Willie Sutton was the infamous bank robber that, when queried by a reporter about his motivation for robbing banks, stated the obvious. But his statement is analogous to our response to business owners that are curious enough to explore data analytics, given that we tell them to look to their accounting/ERP systems, 'because that's where the data is!' Most business owners do not think of their accounting/ERP systems as data repositories, but that is what these systems represent. In fact, business owners and their teams that have been dutifully recording invoices, receipts, payroll data, expense payments, inventory movements and the like, are already in possession of a gold mine of transactional data ready for prospecting.

INSIGHTS INFORM POTENT ACTION

Though the value proposition of data analytics for business owners

may seem difficult to grasp or uncertain, one should assess the opportunity costs associated with using the traditional 'by seat of one's pants' method. For example, what is the opportunity cost of maintaining high inventory levels because of an inability to accurately set reorder points established to meet your service levels vs. other investment opportunities? Or what if you can not determine the profitability differential between various customers when trying to allocate scarce resources across your company and make the wrong choice due to a lack of data? If you compare the cost of poor decision making vs. informed action, the value proposition becomes much clearer and compelling.

WHAT ARE THE NEXT STEPS?

If you are ready to learn more about how you can begin exploiting your transactional data, then contact Profitwyse today. Our firm focuses on implementing data warehouses and data analytics that leverage accounting/ERP system data, enabling clients to make better decisions that are aligned with strategic objections.

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Chase Morrison

I provide CFO services to manufacturing and distribution companies with revenues ranging from \$5M to \$40M in revenue, with a focus on helping clients better utilize their ERP/accounting systems to overcome barriers to growth and profitability.

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ALTERNATIVE FINANCING

WHAT DO YOU DO IF YOU NEED MONEY RIGHT AWAY?

You need to know where to go but there are lenders out there that can fund a business in as fast as 24-48 hours.

I get calls all of the time from business owners that need funding fast. Maybe they can qualify with their bank but something's come up and they don't have time to wait. Often times, they need to:

- Fund a payroll
- Pay insurance
- Pay taxes
- Cover other immediate working capital expenses

Ideally, you would want to:

FINANCE PROJECTS THAT WILL HAVE AN IMMEDIATE RETURN ON INVESTMENT

- Inventory deals with a quick turnaround
- Updating or refreshing locations
- Marketing campaigns
- Seasonal hiring or inventory

KEY FEATURES

- 3 to 12-month terms
- Funding from \$10,000-\$500,000
- Automated daily or weekly payments
- Approval based on overall business performance, not just credit score
- Renewal opportunity when 50% paid down

LET'S LOOK AT "XYZ" COURIER COMPANY

A banker called me on a Wednesday and gave me the owner's information for a courier company. He told me the owner was in a bind and needed a small bridge loan fast. The business does over 5 million a year in annual sales. At the end of the year, they got really busy, they had a lot of additional expenses due to the holidays and year end and they took on some new slower paying accounts. The owner realized that he may not be able to cover his payroll on Friday and he had not gotten around to applying for a line of

credit at the bank. So, now he was requesting a \$100k short term loan. I sent him a one-page application and asked him to send it back to me with his last 3 months business bank statements. Within a couple of hours, he had an offer.

105k loan
12-month term
135,450 payback
2605 weekly ACH payment
No origination fee
No pre-pay penalty
25% discount on remaining unpaid interest if early repayment

The employees got paid on time and the banker planned to get to work right away on a longer-term financing option for this company.

BUT IT'S EXPENSIVE!

The cost of capital is primarily that way for 2 reasons:

1. Convenience
You can have the money in your account within 24 hours with minimal paperwork
2. Risk
The lender underwrites the deal based off of a one-page application and 3 months business bank statements.
The lender is OK being in a junior UCC position-coming in behind a bank or another creditor.

UNDERWRITING BASIC GUIDELINES

- Minimum Annual Revenue: \$200k
- Minimum FICO: 550
- Minimum Time in Business: 1 year
- Minimum Monthly Deposits: 5
- Negative Days/Overdrafts: 5 in one month

Over the last decade, Heritage Commercial Funding has established a network of the industry's most aggressive small business funding sources. If a short-term business loan is right for your business, we will work to get you a competitive offer from a lender that specializes in your industry. No cost to apply and only a soft pull on your credit.



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SALES MANAGEMENT

Have you considered outsourcing your sales function, in particular your sales management? If you've wondered about the benefits of outsourcing sales operations and how outsourced sales management works, read on. You might discover that sales outsourcing can take your business to new levels of success.

BENEFITS OF OUTSOURCING SALES OPERATIONS

The difficulties and challenges of internally managing sales operations can be unique from industry to industry and company to company. From start-ups to legacy businesses, every organization is different, every sales team is different, and every market position is different. Still, for many small to mid-sized businesses, we often see similar benefits from outsourcing sales management. These include:

STRATEGIC FOCUS

When you hire an Outsourced VP of Sales (OVPS), strategic focus is a result. The OVPS can concentrate on fixing, leading, and managing sales operations while the owner or other company executives can focus on other key aspects of the business.

LOWER COST

By bringing in a sales management consultant, such as a fractional-time Outsourced VP of Sales, costs are typically lower than for a full-time VP of Sales or even a dedicated Sales Manager. This becomes especially clear when you factor in a full-time

sales leader's salary and benefits. Because an OVPS is contracted for fewer hours each week and for a limited time overall, costs are contained while solutions are developed.

INCREASED SALES AND PROFIT MARGIN

It is the role of the Outsourced VP of Sales is to identify sales performance problem areas and deliver solutions that increase sales, revenue, and profits. With this singular focus, perspective and accountability, results often exceed expectations.

HOW OUTSOURCED SALES MANAGEMENT WORKS

A customized client engagement typically includes several critical components, such as:

- Developing a sales strategy
- Recruiting, interviewing, hiring, and training your sales force
- Creating and executing a sales plan focused on growth
- Reporting on and analyzing sales performance
- Building compensation plans that deliver results
- Holding the sales team accountable via weekly team meetings, coaching, ride-alongs, training, and corrective-action plans
- Selecting, customizing, and fully leveraging a Customer Relationship Management (CRM) system
- Developing best practices for sales

At the conclusion of the engagement, the Outsourced VP of Sales will have delivered both a team and the processes to drive significant revenue growth.



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President of Mitchell Sales Advisors, powered by SalesXceleration. A firm specializing in sales strategy, sales process and sales execution. Paul has a 25-year history of sales leadership and success in diverse industries in the Los Angeles area.

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THE BOTTOM LINE:

For many small to mid-sized businesses and start-ups, outsourced sales management has benefits that lead to sustainable sales success and revenue growth. At Sales Xceleration, our sales management consultants typically engage as Outsourced VPs of Sales. We learn about your unique needs, develop a custom plan that puts a structure and system in place, and then manage it until you can hire a sales leader. Based on your needs, the amount of involvement and cost varies, but engagements typically last about a year. We offer a no-obligation assessment that allows us to build a proposal to address your organization's needs. To learn more please call **(310) 946-9287**.

(Still not sure if your company could benefit from using an Outsourced VP of Sales? Take our free 10-question [Sales Agility Assessment](#) now.)

A long time client of mine was looking for a CFO. His current finance leader was retiring and the search had gone on for months without any luck. Many interviews but no one seemed to make the fit.

Three more candidates were brought in to be interviewed. I agreed to participate under the stipulation that each had to take the DISC assessment. The total investment was \$375.

In reviewing the assessments, I quickly eliminated two candidates from further consideration because the results indicated that they were both too independent; wanted limited to no supervision (!) and were not comfortable working with other members of management as a team.

The third candidate had the right temperament without red flags and when I completed the two page evaluation form on this individual, I simply wrote "Hire him before someone else does."

The CEO made the hire and has not looked back. The new CFO was the leader the company needed to get the privately held company to the next level of success.

One of the biggest mistakes a Business Owner or CEO makes is hiring the wrong person to join the company. It happens all the time.

Using a reasonably priced assessment for hires at every level simply makes good business sense.

It's an insurance policy that quickly pays dividends.

If you're ready to improve your hiring, please call me and let's discuss what cost effective assessment would work best for your situation.



RECOGNIZING DISC STYLES

C COMPLIANCE	D DOMINANCE
<p>The C is looking for: FACTS</p> <p>Quick Observations: Slower paced, task-oriented</p> <p>Communication: Direct</p> <p>Overextension: Critical</p> <p>Organization: Everything in its place. Perfectly organized.</p> <p>Body Language: Stance - Arms folded, one hand on chin Walks - Straight line Gestures - Very reserved, little or no gestures</p> <p>Communication Clue: Asks detailed questions</p>	<p>The D is looking for: RESULTS</p> <p>Quick Observations: Faster paced, task-oriented</p> <p>Communication: Direct</p> <p>Overextension: Impatient</p> <p>Organization: Efficient, not neat.</p> <p>Body Language: Stance - Forward leaning, hand in pocket Walks - Fast, always going somewhere Gestures - A lot of hand movement when talking, big gestures</p> <p>Communication Clue: Doesn't want others' opinions, only facts</p>
S STEADINESS	I INFLUENCE
<p>The S is looking for: STABILITY</p> <p>Quick Observations: Slower paced, people-oriented</p> <p>Communication: Indirect</p> <p>Overextension: Possessiveness</p> <p>Organization: Usually some type of system. A little on the sloppy side.</p> <p>Body Language: Stance - Leaning back, hand in pocket Walks - Steady, easy pace Gestures - Will gesture with hands</p> <p>Communication Clue: Has a "poker" face</p>	<p>The I is looking for: INTERACTION</p> <p>Quick Observations: Faster paced, people-oriented</p> <p>Communication: Indirect</p> <p>Overextension: Disorganized</p> <p>Organization: Disorganized. A lot of piles.</p> <p>Body Language: Stance - Feet spread, two hands in pockets Walks - Weaves, people focused, may run into things Gestures - A lot of big gestures and facial expressions when talking</p> <p>Communication Clue: Talks with hands</p>



A Laser Beam-Focused Workshop to Uncover Obstacles to Growth

10 Reasons to Get an X-Ray for Your Company Today

ONE: Walk away with a winning short-term and long-term view of your company's strengths and weaknesses and turn them into action steps.

TWO: Target what and where your key issues are: People, Process or Profit and gain insight on how to address them in order of priority.

THREE: Get your company focused on the right path to improving performance.

FOUR: Remove the hidden barriers that are causing performance to slump, people to disengage and profits to dwindle.

FIVE: Lock onto your five greatest challenges and take them on one by one until performance begins to improve.

SIX: Uncover the Rules of the Road for your stage of growth. Take a hard look at how well you have completed each Rule for your stage of growth. Based on our research not getting these done at the right time is a huge 'performance drainer' for all companies.

SEVEN: Learn the secret behind your builder / protector ratio (this is your 'confidence / caution quotient'). Find out why your employees are so uncomfortable with change. Figure out how to create an atmosphere of confidence with just the right amount of caution.

EIGHT: Create a "language of growth" that will resonate with every single employee, helping them to understand how they impact a company's profitability.

NINE: Learn how to maximize your company's ability to stay focused on the right things at the right time.

TEN: Determine if you are "running ahead of your headlights" and what that means to your business performance in the next 6 to 12 months.

**For a free consultation on this workshop, please contact Ken Keller.
Ken.Keller@StrategicAdvisoryBoards.com or call 661.645.7086**

Zeroing in on Your Company's Profit Zone™

Identifying how every person on your payroll impacts your bottom line.

Myth #1: Employees have little interest in how their company makes money.

Myth #2: The concept of profitability can't be taught to employees who don't understand a financial statement.

Myth #3: If employees knew how much money a company made they would demand more money.

This program is designed to:

- ✓ Explode these three myths and many more.
- ✓ Improve your bottom line.
- ✓ Help each employee understand the value they bring to an enterprise.
- ✓ Educate each employee as to how they impact profitability of your company.

What is Your Profit Zone?

The Profit Zone is the relentless, precise and intense staff mindset to make and keep money for your company. Your Profit Zone is responsible for maintaining and improving:

- ✓ Revenue generation
- ✓ Strategic and tactical focus of the company
- ✓ Gross and net profit margins
- ✓ Cash flow
- ✓ Cost structure
- ✓ Customer satisfaction
- ✓ Staff voltage
- ✓ Product/service quality
- ✓ Company innovation

Less than 10 percent of most company's staff understands how a company makes and keeps money. Employees choose to be employees and not entrepreneurs because they want the certainty of a paycheck. Ironically, most employees don't understand their direct role in making sure those paychecks happen. They just assume the boss will make sure there is enough money to pay them. The staff is rarely connected to the reality of how they directly affect the company's ability to make payroll.

The goal is to bubble up the growth of an enterprise. In order to make this a reality and not just theory, there must be real work involved in educating the staff and building this knowledge into the DNA of the company.

How strong or weak a company's Profit Zone is, determines the health of the enterprise. When a company is sloppy or ineffective with any of the Profit Zone activities, it makes and keeps less profit.

If it underperforms on too many of these items, it goes out of business. The Profit Zone is the Strike Zone, the profit sweet spot so necessary that the company's very survival and success depends upon it. When every employee knows how his or her job responsibilities directly impact the Profit Zone, you are another step closer to bubble up growth.

What are the Company's Profit Sequences?

The Profit Sequences are the three-step combinations that result in profitability. Any activity an employee or staff member is involved in should not be any more than three zones away from the Profit Zone. It is a way for the entire staff to 'mind the generation of profit' is in the business.

Zone 3: the employee's activity supports the processes of maintaining and improving one or more of the nine activities of the Profit Zone.

Zone 2: the employee's activity supports the people who are maintaining and improving one or more of the nine activities of the Profit Zone.

Zone 1: the employee is actually the person who is making it happen. They are directly maintaining and improving one or more of the nine activities of the Profit Zone.

If you would like to learn more about how your company can be more profitable and how you can get your employees engaged in making money for your business, please contact:

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