

# THE MONTHLY CEO ADVISORY™

revenue

A hand in a light blue shirt is drawing a red arrow on a whiteboard. The arrow starts from the left, goes horizontally, and then curves sharply upwards and to the right, ending in an arrowhead. The background is a blurred office setting.

OCTOBER 2020

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Dear Friends,

I am pleased to provide you with the October 2020 issue of ***The Monthly CEO Advisory™***.

This is our tenth issue and we continue to positively impact thousands of CEOs, Presidents, Business Owners and others at the C suite level.

Hard to believe that we've all been operating in a pandemic for more than six months with no true end in sight.

I encourage you to continue to work "on" and not "in" your business. Part of that is preparing your plans for 2021. Be sure and read my article on "Planning for an Uncertain Future."

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
- Alternative Financing
- Sales Management

Enjoy the articles that follow. The Trusted Advisors that contribute to this publication are the best in their respective fields. If you need help, please reach out.

Thank you for allowing us to be part of your continuing business education, growth and success. Stay safe.

Sincerely,



Ken Keller  
CEO

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# Business Growth Opportunities to Consider in 2020

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Business Growth & Profits   Ken Keller.....	Page 1
Tax News   David Stone .....	Page 2
Commercial Insurance   Paul Palkovic.....	Page 3
Human Resources Compliance   Barry Cohn .....	Page 4
Manufacturing Excellence   BJ Schramm.....	Page 5
Information Technology   Craig Pollack.....	Page 6
Company Benefits   Barry Cohn.....	Page 7
CFO Insights   Chase Morrison.....	Page 8
Alternative Financing   Kristy Melton .....	Page 9
We Can Do Better   Paul Mitchell .....	Page 10
Are You Ready to Plan, Perform and Grow? .....	Page 11

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

## PLANNING FOR AN UNCERTAIN FUTURE

Since 2020 has been such a challenging year, I want to share my thoughts about how as CEO, you might want to conduct your strategic and operational planning process.

No one can predict with any certainty what will happen in the next 6 to 24 months. Ignore both noise and distractions; rely on your own leading trip wire indicators for your company.

**First**, I recommend planning for the worst. Meaning, your first scenario should be a worst case scenario. What does that look like?

Assume that any loans you have from your bank will be called in; your biggest customers drop you as an approved supplier; your customers drag out payments well beyond acceptable payment terms; your key suppliers / vendors slow down shipments and require payment in advance before delivering; and, key employees depart.

I do not want to spread doom and gloom but here are some interesting observations you should consider:

- Airlines are down 80% to pre-pandemic levels; that industry is a leading indicator of

many business facing industries (dining, car rentals, lodging, conventions, trade shows, events)

- Various industries have seen dramatic changes and swings in demand, both up and down
- Government funding has dried up; it is uncertain if additional support will come and if it does, how much and in what form
- Companies are finding that, mostly, "stay at home" workers are more productive
- Nearly 70% of our economy is consumer based spending; some companies (hotels, motels, bars, restaurants, retail, clothing, and entertainment) will likely go out of business as weddings, religious ceremonies, anniversary and birthday parties, and even corporate events become virtual if they are held at all

In short, uncertainty and volatility are at extremely high levels and will remain that way for at least another 18 to 24 months.

A worst case scenario paints a picture for the CEO of what the bottom looks

like. You may not be there now and you may never get there but you need to understand what it looks like and what you will need to do if you ever find yourself on the way there.

**Second**, I recommend creating a two year, go forward revenue forecast. Start with the worst case, then create the best case, then develop the most-likely case scenario.

How do you do this? You first identify the key assumptions for each scenario. As an example, for my manufacturing companies, I have recommended creating different plans based on the possible time frames that Boeing and Airbus will turn on the growth spigot again.

Following crafting the assumptions, create building blocks of your different revenue streams. As you go through this process you need to set "trigger points" that will require additional actions if things happen, or don't. To make it easy, the trigger points can be laid out in a "If this, then that ..." format.

**Third**, your future is totally dependent on your clients. Make certain that you have a clear and concise plan for staying in touch with those buying from you. Ideally, you want to understand what their strategies are and what their forecasts look like. Focus on building stronger relationships.

Finally, don't forget about "new cheese." In times of uncertainty there are opportunities to land new clients. Don't be afraid to pick up the phone and call prospective clients.



### 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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# TAX NEWS

## BLOODY COMPLICATED



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In 2004, Stephanie Meyer sparked a bona fide cultural phenomenon with her debut novel, *Twilight*, recounting the romance between 17-year-old schoolgirl Bella Swan and 109-year-old “vegetarian” vampire Edward Cullen. (He only drinks animal blood, not human.) The story spawned four books, five movies (because you’ve gotta double up that final book to sell more tickets and popcorn), and billions in revenue. If you were a teenage girl at any time during those years, or know someone who was, you went through a *Twilight* phase.

Last week, Meyer released a long-awaited fifth volume, *Midnight Sun*, retelling the original story from Cullen’s point of view. While it’s too soon to know if the book launches a new generation of twi-hards, we can be sure that millions across the country will eagerly return to Forks, Washington for the *Twilight* renaissance. If movie studios can churn out a new *Batman* every year, surely there’s room when theaters re-open for more of *Twilight*’s vampire clans and werewolf packs.

We realize that when you hear the word “vampire,” you probably don’t think “taxes.” But we do. (It’s either a sickness, or a gift — really, who the heck knows in 2020 anyway?) But the books raise enough tax questions to fill an entire law school exam. So pace yourself, and stay hydrated:

- Carlisle Cullen, patriarch of Edward’s clan, turns him into a vampire in 1918 during the Spanish Flu. (Edward may not have been paying much — the 4% bracket didn’t kick in until the equivalent of about \$85,000 in today’s dollars.) But turning him into a vampire by definition means raising him back from the dead. So should Edward even be filing a return in the first place? Or is anything a vampire earns “income in respect of a decedent,” and better reported on Form 1041 for estates and trusts?
- Bella and Edward get married in the fourth book, *Breaking Dawn*, on August 13. That means on December 31 they become eligible to file jointly. But can they, really, if Edward is undead?
- Should Bella file an estate tax return when Edward turns her into a vampire after she dies in childbirth?
- Vampires live a long, long time. That makes getting rich easy: the only thing more potent than vampire venom is compound interest. In fact, *Forbes* placed Edward’s mentor Carlisle first on its list of the 15 richest fictional characters, beating Jed Clampett, Tony Stark, Richie Rich, and even Scrooge McDuck. Carl-

isle’s \$34.5 billion fortune is built on 370 years of mostly tax-advantaged growth. (His adopted daughter Alice can see the future, which we imagine helped avoid buying Theranos, the blood-testing startup that turned out to be a scam.)

- In the books, Edward Cullen has his own supernatural ability: mind-reading. Would he please tell us whether Washington is going to raise taxes next year so we know whether to contribute to traditional or Roth retirement accounts?

If you’re a *Twilight* fan, enjoy the new book — and don’t worry about taxes. We’re pretty sure we’ve never worked with a real vampire before, but in the unlikely event that you get bitten, by all means tell us so we can help you work through these complicated questions! (Unless, of course, telling us means you have to kill us, in which case never mind.



# COMMERCIAL INSURANCE

## WHAT WE HAVE HERE IS A FAILURE TO COMMUNICATE

Many commercial insurance brokers feel their clients are too concerned about their business surviving the pandemic to talk to them about insurance needs.

### **YET, 6 IN 10 BUSINESS OWNERS DISAGREE**

Small to medium-sized business owners and insurance buyers say they place great importance on having a broker who provides consistent personalized attention and understands their needs.

They also struggle to keep up with and understand the different types of insurance products they need. Insurance buyers want their broker to provide guidance and the assurance they have the proper coverage and protection in place.

Small business owners also tend to be resource-limited, placing a high value on a broker that provides education and guidance on topics beyond traditional insurance, such as safety & loss control, disaster planning, Hu-

man Resources, and cybersecurity.

Only 32% of buyers prefer to handle all insurance needs digitally. Insurance buyers ranked "being able to talk live to a person when you have an important issue or question" as a critical attribute when initiating or renewing an insurance policy. Additionally, nearly 70%, prefer to work with a broker that is near them; highlighting the value a personalized local broker relationship brings.

Commercial Insurance buyers want to engage with their brokers - especially now.

### **TOP BROKERS RESPONSE**

Top brokers ensure that their clients continuously feel their presence; even if only virtually.

They must strive to understand their client's changing business operations, identify their current challenges, and discuss their future goals. They should identify new ways to solve problems and develop effective insurance programs that offer peace of mind for their clients.

Top brokers should seek to engage with their clients - especially now.

### **REALITY LIES SOMEWHERE IN-BETWEEN**

Insurance buyers want to engage with their brokers and brokers should want to see their clients. Yet, while some brokers believe their clients are too busy to update and address their insurance needs, recent insurance industry studies show that many insurance buyers (over 30%) believe their brokers could do more to support their needs.

They feel their broker is not always available when they are most needed, and that they only hear from their broker at renewal, or if there is a problem the broker must address.

Add to this a significant number of insurance buyers (36%) say they are not confident they have been offered the best prices and terms, and they do not feel like their broker regularly checks on their current and changing needs.

### **THE ANSWER**

Brokers should make it a priority to engage with their clients and stay on top of their changing risk profile and insurance needs. While insurance buyers, who are often inundated with new challenges and short on time, need to find a way to meet with their broker, and to stay on top of things as they evolve.

Now more than ever, commercial insurance buyers and their brokers must not "fail to communicate."



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# HUMAN RESOURCES COMPLIANCE

## CALIFORNIA EMPLOYERS: WILL IT EVER END?

We know that California is not an employer friendly state. The questions are will new HR laws ever end and what does an employer have to do now?

### **SB 1159 WORKERS' COMP: COVID-19**

Governor Newsom issued an Executive Order (EO) a few months ago, that stated if a worker was infected with COVID-19 within the first 14 days of returning to the company, it was a work comp claim unless the employer could prove otherwise. This order expired on July 3rd and employment law attorneys said that the legislature was going to pass a law

covering this topic, so employers should stay the course.

SB 1159 establishes a rebuttable presumption of industrial causation for those employees contracting COVID until January 1, 2023, which means if an employee tests positive for COVID within 14 days after last performing work at the place of business at employer's discretion, it is presumed they got the virus at work. This law is more draconian than the EO makes the employer responsible anytime the worker contracts the virus if they worked the last 14 days.

The employer has 30-45 days to investigate and try to prove that the employee got COVID outside the workplace. Good luck with that!

The law also issues new reporting requirements for employers with their work comp insurance carrier. Employers have a new affirmative duty to report, within 3 days, to their Claims Administrator if an employee tests positive for COVID

They have to report that an employee tested positive, date employee tested positive, address of specific place of employment during 14 days prior to positive test, and the highest number of employees who reported to work in the 45 day period preceding.

### **SB 1383 CFRA**

The second law is SB 1383 California Family Rights Act (CFRA) and states that employers with five or more employees must provide up to 12 weeks of protected mandatory family leave to eligible em-

ployees, who worked for an employer for at least 12 months and completed 1,250 hours of service

Similar to the Family Medical Leave Act (FMLA), SB 1383 would allow an employee to take leave to care for themselves or for a family member but expands the category to include grandparents, grandchildren, siblings, and parents-in-law. Prior to this law CFRA only applied to spouse/partners, parents and children.

Currently, CFRA only applies, if an employer has 50 or more employees, and an employee can take CFRA and FMLA concurrently. Under the new law, an employee could conceivably stack both leaves under this new law for 24 weeks of leave. One leave could be for a grandparent, grandchild, sibling or in-law under CFRA and then take an FMLA leave for a child, spouse or parent.

Leave could be taken intermittently, allowing an employee to take a day off here and a day off there or even in blocks of time as small as one or two hours. The employee has job protection and employers cannot retaliate to an employee who is taking the leave. The employer must return the employee to the same or comparable job position when they return from leave. Any replacement worker hired to cover the leave of the affected employee must therefore be temporary.

Wait there's more! Well not right now but I am sure more laws will make being an employer in CA even more difficult.



### **Barry Cohn, CEO**

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# MANUFACTURING EXCELLENCE

## ARE YOUR BUSINESS OPERATIONS DELIVERING THE RESULTS YOU EXPECT?

If you inspect every 10th part in your manufacturing process, how do you know the other 9 parts are acceptable? In the office, if I audit every 10th invoice, how do I know the other 9 invoices were done correctly?

Manufacturers have learned that inspection is a good starting point, but the reality is, our customers want EVERY part to meet their requirements. Inspection cannot provide customers that assurance.

To ensure we meet our customer's on-going quality expectations, manufacturers must validate that their processes are in control. It is only through this confidence in a controlled process that customers are assured of receiving the product they were promised.

To ensure a process is in control, there are three fundamental steps every world class manufacturer follows:

1. Understand, define and document the process.
2. Eliminate sources of variation that may move the process outside of acceptable limits.
3. Monitor the process on an on-going basis.

To accomplish these steps, there are very simple and effective tools that have been developed. My hope is that by



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sharing a brief introduction to these tools, it will motivate you to further investigate their application to your business.

### 1) UNDERSTAND, DEFINE AND DOCUMENT THE PROCESS

The Capability Maturity Model (CMM) is the industry standard of process assessment. It is broken into 5 levels from the most basic to world class process management. By comparing your processes to each of these 5 levels, you can create a baseline of expectation as to whether the process will perform.

The levels move from basic definitions of the process (where does it start and end, what are the inputs and outputs, what are the tasks to be performed), to sustaining the process (documentation, monitoring, cross-training and managing employee turnover), to continuous improvement of the process.

### 2) ELIMINATE SOURCES OF VARIATION

When looking at variation, manufacturers understand there are two types of variation: common and special cause. Common variation reflects the reality that normal, random variation is inherent in every process. However, when that variation exceeds established limits it is necessary to examine the special (or assignable) causes of that variation.

These special causes are explored in 5 standardized areas of investigation:

- Materials (or inputs)
- Methods (is the process design defective?)
- Machines (equipment, tool or software failure)
- Man (random human error is expected, but was there a unique event that caused this error? Can the process be mistake-proofed?)
- Environment (temperature, humidity, infrastructure failure, other outside environmental impacts)

By eliminating these sources of variation, we can move on to the final step: process monitoring.

### 3) MONITOR THE PROCESS

The fundamental tool for monitoring the process is a Control Chart. This is a simple chart which can be produced with pencil and paper or using sophisticated digital systems. At its most basic, this chart graphs over time key characteristics that if performing within defined limits, assures the manufacturer that the process is in control and is delivering a quality product.

I hope this very cursory overview of developing and sustaining effective, productive and profitable processes has caused you to stop and reflect on your internal processes. Are they delivering the results you and your customers expect? These are tried and true methods which when applied to shop floor and office operations, have the power to transform your business operation.



# INFORMATION TECHNOLOGY

## 10 TIPS FOR REMOVING EMAIL DISTRACTIONS THAT HINDER YOUR PRODUCTIVITY

Time management is crucial in the workplace. At the same time, how often have you heard someone say there aren't enough hours in the day? Technology has certainly given us ways to be more productive. But at the same time, it could also be one of the biggest time sucks.

I would suggest that getting control of your Email would be the first place to start. Without a doubt, email is one of the main distractions for employees, whether it's spam, email pop-up notifications, unimportant emails, or simply just managing and collating what's important from what's not.

Here are 10 ways to help you tame your inbox, get your email processing under control, and improve your overall productivity...

### 1. ACT ON EMAILS ONLY ONCE

Set your goal to be never handle an email in your Inbox more than once. Do, Delete, Delegate, or Reply.

### 2. TURN OFF NOTIFICATIONS

To reduce your frequency of email checking, disable pop-up notifications and sounds. Nothing kills productivity like the myth of multi-tasking. And having an "always on" mentality around email only drags you down.

### 3. KNOW WHY YOU'RE SENDING AN EMAIL

Before you hit "send," remind yourself of the purpose of the email. The more effective you are at sending emails, the less time you'll spend in the conversation thread. Sometimes picking up the phone will save you gobs of time. This alone will help to reduce your email overload!

### 4. BE SPARING WITH YOUR REPLIES

Does your email communicate anything other than an acknowledgment? If not, send it to as few people as possible - or no one at all. Get out of the endless chain of "Thank you's" and "ok's".

### 5. UNSUBSCRIBE

If you're subscribed to an email blast and don't have a compelling reason to read every email you get from them, unsubscribe. The more lists you can unsubscribe from, the better you will be at reducing the ever-increasing noise.

### 6. USE RULES

Create rules to help automatically process emails whenever you can. I have a "cc's" folder where every email that I'm not in the "To" field automatically goes. This helps me stay focused on communications that I NEED to be involved in. Are you cc'd on emails because they're someone else's CYA? Filter out the noise!

### 7. TURN OFF PREVIEW PANE

While you may think this helps increase your productivity, it actually does the opposite. Keep in mind rule #1 - Act on things once. The Preview Pane goes directly against this by having you look at things twice.

### 8. KEEP YOUR FOLDERS CLEAN

Only save the emails that you absolutely need. No need to keep track of every single touch point in a conversation. Don't use your mailbox as a filing cabinet for documents!



## Craig Pollack

### FOUNDER & CEO

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### 9. USE SHORTCUT KEYSTROKES

There's nothing that will slow you down on a computer more than working with a mouse. To improve your effectiveness in Outlook, learn time saving keyboard commands. To move an email to a folder, press Alt+H, then <MVO>, then navigate to the folder name using the arrow keys, and then press <Enter>. If you want to move a copy, it's simply Alt+H, then <MVC>. To help this process, organize how you name your folders in ways that will help you navigate quickly with the keyboard instead of the mouse.

### 10. KEEP YOUR INBOX NEAT AND CLEAN

Last but not least, keep your Inbox clean! Don't store things in there. The less items there are, the less you'll have to manage it. Another ancillary benefit is the cleaner your Inbox, the less stress email will cause you.

These should be the foundational habits for running your email and a HUGE step forward towards improving your day to day productivity.

# COMPANY BENEFITS

## AB 685 COVID-19 EXPOSURE NOTICE REPORTING REQUIREMENTS

When you hire a new employee your new hire package must include 11 notices or brochures from 5 different government agencies. Under COVID there are other government agencies or departments that require the employer's attention, CADPH, LADPH, Cities, and Federal Agencies such as the EEOC. In CA there is one new law that will affect employees with COVID-19 exposure notifications.

Governor Newsom signed a new law, AB 685, on September 17th that goes into effect January 1, 2021 and imposes significant new requirements upon employers to give notice of a potential COVID-19 exposure in the workplace. If an employer receives "Notice of Potential Exposure" to COVID from a "Qualifying Individual" at the worksite they must take immediate steps.

A "Qualifying Individual" is an employee that has tested positive for confirmed case of COVID by a laboratory, positive COVID diagnosis from a licensed health care professional or COVID related order to isolate (self-quarantine) by public health official. In CA if you have been exposed to an individual with a confirmed case of COVID you must self-quarantine for 14 days.

If an employee provides an informal notice that he/she may have been exposed to COVID it is not qualifying under AB685, however, that employee should still be removed from the workplace and the employer should treat the informal notice seriously.

A "Notice of Potential Exposure" is a notification from a public health official or licensed medical provider, from an employee or employee's emergency contact that the employee is a qualifying individual, or notice through employers' own testing protocol.

If an employer receives a Notice of Potential Exposure they must notify employees who may have been exposed to that individual within one business day. The employer must include the following information:

- A notice of potential exposure to COVID
- It must be sent to all employees who were on the premises at the same worksite as the COVID individual within the infectious period, the last 14 days.
- Information about employer's COVID related benefits applicable to employees under federal, state or local laws, Worker's Comp, COVID leave, company sick leave, state mandated leave, or other leaves
- Information about anti-retaliation and anti-discriminatory protections for employees
- The disinfection and safety plan that the employer plans to implement

Employers must also notify the local public health agency within 48 hours including, names, number of employee exposed, occupation and job duties, work site of employees, who are COVID positive, and update public health department regarding

any new laboratory confirmed cases.

Additionally employers must provide notice to employees in the same manner as they normally communicate employment related information which includes any method that will reach exposed employees within one business day such as email, company intranet, or paper distribution.

In CA any employee notice must be in English or any of 17 languages, if 10% or more of your workforce primarily speaks another language such as Spanish, Vietnamese, or Tagalog.

The notice requirements are also changing for employers with other government agencies such as the County of LA Department of Public Health, CA Department of Public Health and Cal-OSHA depending on the size of your company and the number of positive cases.

In other words employers are being burdened with more and more responsibility, liability and requirements from a myriad of governmental agencies. My recommendation is to speak with your HR professional, employment law attorney or other HR resources to keep you in compliant.



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I help companies with 25 to 2000 employees become "Employers of Choice" providing employee benefits solutions and benefits compliance.

# CFO *Insights*

## YOUR NUMBERS ARE TALKING. ARE YOU LISTENING?

As CFO services consultants working with midsize business owners, we take joy when clients come to the epiphany that successfully growing their business can be greatly facilitated by listening to their numbers. To produce this result, we have a standard toolbox that we bring to each engagement in order to drive the process.

Our standard toolbox includes use of PlanGuru, a financial planning ap-

plication, as a platform for developing financial plans as well as a repository for monthly actual results. Utilizing PlanGuru as planning platform, we can then generate Dashboards, plan vs. actual detail for profit and loss statements (P&L), balance sheets and statements of cash flow. The process all begins with retrieving each client's past 18 to 24 months of trial balance reports, that then get parsed and loaded into PlanGuru. This historical information provides the basis needed for projecting the future as well as analyzing performance.

Next, we take the P&L chart of accounts (COA) and organize it as follows: 1) revenue and adjustments to revenue; 2) cost of goods, including both product/service costs and related indirect costs; 3) operating expenses, which are typically split by administration, sales & marketing and distribution; and 4) other income and expense. With the P&L set, we then organize the balance sheet accounts just using GAAP taxonomy. Finally, we categorize cash flow by its constituent parts—operating, investing and financing.

With a fully assembled toolbox, clients can now visualize gross, operating and net income margin trends, receivable and inventory efficiencies,

cash conversion cycle timing, liquidity factors, leverage changes and many other financial metrics. In addition, we then benchmark many of our client's metrics against industry averages to identify low-hanging fruit for prospective improvements. With all this information in hand, we develop financial plans based what was discovered through the proceeding process. This is when the epiphany typically hits because clients now understand how their actions, as well as those of their employees, drive business success. Using their financial plan to compare actual results to projections, clients can more readily identify what actionable steps are needed to achieve their long-term goals for wealth creation and retirement.

Now that you know the "secret sauce" Profitwyse uses to help business owners listen to their numbers and enable proactive measures focused on financial success, you can do the same with your numbers. If you are ready to have your own financial management epiphany, but need help developing your financial toolbox, feel free to contact us today.



### 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



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## MEDICAL A/R FACTORING

We have looked before at the challenges of carrying slow paying accounts receivable. Paying the discount fee to a credit card processing company seems like no big deal when you consider the alternative-waiting 30, 60 or 90 days to get paid if you don't have deep pockets and you have payroll and lots of other bills to stacking up.

Some reports estimate that more than 91% of businesses suffer from late payments.

Accounts Receivable Financing (aka Factoring) is one-way business owners speed up payment on their invoices. It's the oldest form of business funding-currently a billion-dollar industry.

There are lenders that specialize in offering this type of funding exclusively to the healthcare industry.

A medical provider's biggest asset is its accounts receivable-the payment it expects to get from Medicaid/Medicare, HMO's, private insurance companies, personal injury settlements or worker's compensation insurances.

As you can imagine (or even experience), due to the bureaucratic inefficiencies in our healthcare system, a medical provider may have to wait up to 90 days or more to get these claims paid and monetize this asset.

This hinders the provider's ability to conduct business, pay staff, order supplies, pay rent and grow the business to its potential.

Most providers turn to their local banks for working capital loans but as we know, banks have strict requirements and hindrances that can make it difficult to qualify. If they can approve you, it may not be for a line size large enough to support the growth curve you are on.

### HOW MEDICAL FACTORING WORKS

Medical factoring is a type of invoice factoring where a Factor provides a medical provider with an advance based on the provider's outstanding accounts receivable.

The factor advances funds and waits for the invoice to be paid from third party insurance carriers. Medical factors will consider any

provider that bills third party insurance carriers including doctors, doctor groups, home healthcare companies, medical transport and translation companies, imaging centers, labs, urgent care centers and more.

### WALK ME THROUGH THE PROCESS

1. A medical provider establishes a relationship with a factor.
2. A medical provider submits bills to the 3rd party insurance carrier.
3. A medical provider submits a copy of those billings to their factor.
4. The Factor analyzes the invoices and uses historical collections and industry standards to establish the Expected Collectable Value or ECV.
5. The Factor will advance up to 80% of the ECV. Funds can be wired or ACH'd into the provider's bank account the same day.
6. The remaining 20% is set aside in a reserve account to protect for any bad debts. Once the bill is paid by the 3rd party insurance carrier, the factor returns the reserve minus a factor fee of 1-3% per month.

The beauty of medical factoring is that it is determined solely by the provider's ability to generate claims (invoices) thereby providing access to capital for smaller or non-bankable providers. There is no set line amount. The more you grow, the more you can factor.

We can connect you with the right lender to factor your medical A/R.



# WE CAN DO BETTER

## "IT'S TIME TO CHOOSE THE HARDER RIGHT"

*One of the most well said quotes I have heard is credited to Duke basketball coach, Mike Krzyzewski. Here is what he said...*

"Black Lives Matter. Say it. Can't you say it? Black Lives Matter. We should be saying it every day. It's not political. This is not a political statement. It's a human rights statement. It's a fairness statement. Over the last couple of months, I have had an opportunity to see more, to listen more, to think more and understand at a deeper level. Do we not see the problem, the disease, the plague that has been in our country for four centuries? Do we not see systemic racism and social injustice? Come on. We all see that. It's manifested in so many ways: criminal justice, the killings that we have seen, the denial of economic opportunities in our Black community, educational opportunities, healthcare. It's manifested in so many ways and has been there for four centuries. We see that. And what we do when we see that, we talk but we turn the other way. We don't solve the problem. The problem will not be solved, and no problem is solved, unless you acknowledge the problem.

Acknowledge it. If you acknowledge it, you have a duty to solve it. We as a country have the duty to solve the problem. When I was cadet at West Point, and the prayer is still there, there is a cadet prayer. In the cadet prayer one of the segments of the prayer says, "Lord help me choose the harder right. Help me choose the harder right instead of the easier wrong." It is time to choose the harder right. It is time to end systemic racism and social injustice. It's time."

After a recent webinar one of the participants called me after about two weeks. He is a successful White business person. When people ask me what they can do, I say "go home with authenticity." That means go back to where you live and where you work and now that you know better, do better. It means if someone says something offensive or wrong against what you have learned to say something. It may be uncomfortable but as Coach Krzyzewski says, "It's time to choose the harder right." This man



### Paul Mitchell

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did and when his brother and brother in law sent a racist and insensitive text he said, "where in the past he would have just laughed it off," this time was different. He knew better and he had to say something. He said something and he felt the wrath of his brother and brother in law that left him feeling that their relationships may never feel the same. That is choosing the harder right and it will take our White leaders in organizations and in their communities to choose to do this to create meaningful change and allow exposure, education, compassion and empathy lead the way. We can do it, let's start today!

# Welcome

► **Ken Keller**



“I’d like to talk  
with you about  
participating  
in a **Virtual  
Strategic  
Advisory Board**”

# What is a Strategic Advisory Board?

I bring together CEOs from non-competing companies of similar size, into an advisory board process which helps them gain fresh ideas and new insights.

This form of Peer Advisory has proven to be very effective in helping CEO's increase their effectiveness and their profits by gaining advice, support and insight from their peers who have faced the same challenges as they grow their companies.

Read on to learn how you can take full advantage to better plan, perform and grow your business by working on it and not in it.

# Who Will Be In Your Strategic Advisory Board?

- 8 to 12 Hand Selected CEOs from Different Industries Providing Broader Perspective
- CEOs leading Growing Companies, each with 11 to 95 employees
- CEOs Committed to Growth: Both Positive Personal and Professional Change
- Individuals Who Are Life-Long Learners
- Quality People; Ones You Will Enjoy Spending Time With and Getting to Know
- Individuals who will be candid, transparent and honest with you because they will tell you what you need to hear not necessarily what you want to hear



# What to Expect From Your Strategic Advisory Board

- Having Access to a Select Group of Peers that are your Trusted Advisors
- No Competitors or Client Conflicts
- All Meetings are Confidential
- One Monthly Meeting (3.5 hours)
- Individual Leadership Coaching Monthly
- Group Annual Planning Session in October
- Operational Planning Meetings with you and your management teams in Q4 for the year ahead
- **Meetings held virtually until determined otherwise**

# Providing a Virtual SAB Experience

- One 3.5-hour session per month
- Each CEO is allocated time for a formal business update using the Strategic Growth Navigator©
- Continuing Executive Education
- Discussion of CEO's Roundtable Issues (challenges, problems & opportunities)
- Work ON and not IN your company
- Individual leadership coaching will be calendared to honor your schedule
- **Both peer group and coaching sessions will be conducted through Zoom**

# The Strategic Growth Navigator® is the basis for all SAB Meetings

The SGN is a one page Operational and Strategic Plan that covers all a CEO needs to do and track to run a growing company.

Created because far too many CEOs were running their companies without a roadmap or a report card except for tax returns.

**It's mandatory. All my CEOs use it.**

Often, CEOs share it with their bankers and management team members.

The SGN may be customized for your needs.

# Individual Leadership Coaching

- Ideally, held once a month for 90 minutes
- Not mandatory but highly recommended
- Required if the SAB meeting is missed
- Virtual to start, convert to in-person eventually
- Use of the Strategic Growth Navigator© as the foundation of discussion
- Discuss your Top Five Challenges of Growth
- Review your direct reports and their progress
- Check on goals set at Annual Fall Retreat



# My CEO's take themselves and their businesses to places they've never been to before

- More Revenue ... More Profitable
- Better Clients ... More Clients
- More Efficient Internally
- Stronger Cash Flow
- Improved Internal Focus
- Better Internal Alignment
- Stronger Teamwork
- Holding People Accountable
- Being Held Accountable by Your Peers
- Growing, Personally and Professionally

# What others have experienced....

“I’ve been with Ken and my SAB for over 15 years. I can share things with my fellow CEOs that I cannot, do not, share with my own Board of Directors. At my first meeting I learned about “Internal Terrorists” and at that moment I realized I had a lot to learn. I stay in the SAB because I have to keep on learning.”

—CEO of a local public company



# What Kind of Outcomes Can You Expect from Your Strategic Advisory Board?

- ✓ First year of participation could yield an increase in revenue, perhaps as much as 20%; each following year growth should be a minimum of 10%\*.
- ✓ You'll learn which employees are engaged, disengaged or actively disengaged.
- ✓ The costs in your company will go under a microscope; expectations are that you will reduce costs by 10% or more.
- ✓ You'll know when to hire & how to hire effectively, avoiding those that don't truly fit.
- ✓ You'll be focused on building a better future for yourself, your company and your clients.

\*Projected growth. No guarantees of outcomes.

# In a nutshell...



**Genuine CEO to CEO Input**  
Avoid landmines



**Continuous Learning**  
Grow yourself



**Build a Network**  
Have friends for life



**Use Recruiting Tools**  
Stop hiring terrorists



**Have a Plan**  
Set goals, be held accountable to execute,  
learn to hold others accountable



**Get Coached**  
Hear what you need to; which  
is not always what you want to hear



**Business Growth**  
Use a predictable model



# First steps to participation

- Interested CEOs can contact me at any time via email.
- Second step is a Zoom interview and signing of an NDA followed by information sharing.
- Next, payment of registration fee and assignment to a new or existing Strategic Advisory Board.

# Registration Details

- One Time Registration Investment Fee of \$1,250
- Up to 6 assessments that determine behavioral styles and what drives that behavior (DDV) for any of your direct reports
- Team debrief for these assessments via Zoom
- License to use SGN as a member of SAB
- Use of the Stages of Growth Matrix
- Use of Showcase PowerPoint

# Investment

The value of participating in the SAB program is worth \$40,000 plus.

For my valued clients, the annual investment is \$12,000.

\* If you prefer to pay monthly, you have the option of doing so at \$1,100 per month.

# About Me...

- ❖ My beautiful bride, Donna, and I have a son, daughter-in-law, two granddaughters and a grandson
- ❖ We have lived in Valencia, California (near Los Angeles) since 1990
- ❖ Donna teaches elementary school
- ❖ I have written two books on business
- ❖ Publisher, *The Monthly CEO Advisory*
- ❖ I am a cancer survivor
- ❖ I have a tremendous network of solid citizens all over the country

**Thank You for your time  
and consideration. I look  
forward to working with  
you.**

**Ken.Keller@StrategicAdvisoryBoards.  
com**