

THE MONTHLY CEO ADVISORY™

revenue

A close-up photograph of a person's hand in a white dress shirt, holding a white marker and drawing a thick red arrow that curves upwards and to the right. The background is a blurred office setting with windows.

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Dear Friends,

I am pleased to provide you the April 2021 issue of ***The Monthly CEO Advisory***[™].

Spring is a time of change, transformation, growth. Author Stephen Covey of Seven Habits fame referred to this as “Permanent Whitewater” a period when change is non-stop.

My analogy is that many of us are on a craft trying to navigate a fast-flowing river, headed downstream. The water is cold and fast.

We only know for certain a few things to help us; the rest we will discover when we come upon them during the journey.

There are rocks in the river for as far as we can see, and there are plenty of rocks under the surface of the water too, that could damage or turn our craft over spilling us into the water.

I am told that the best way to successfully control going through the rapids is to either go faster than the current or slower. Whichever one you opt for; you should be able to manage better than if you are left to the will of nature; the speed of the water.

Listening to my CEO clients as we go through these interesting times, I have come to realize that many of them spend too much time on the urgent and not enough time on what is important.

I encourage you to take this time to take a big step back from your business to gain the perspective you need not just to successfully get through this whitewater we are all dealing with but to reaffirm to yourself the vision for your company.

Please enjoy all the articles in this issue and thank you for allowing us to be part of your continuing business education, growth and success. Stay safe.

Sincerely,



Ken Keller
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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

TEN SMART MOVES FOR A CEO

Most anyone can run a company during good times. When you are making money, it's easy to overlook some of the deeper issues lying beneath the surface just waiting for an excuse to move to the top of your company's list of challenges and create havoc.

Paying attention, during good times and bad times, to these ten proven concepts will help your company weather today's storm and make sure the next one won't hit you so hard.

1. Reach out to every single client and ask them what you can do for them. Find out what their biggest challenges are and innovate ways to help them address those challenges.

2. Identify three critical financial indicators that you can start sharing with all your employees. You need your employees to understand how their job impacts your bottom line. Educating them will keep them engaged.

3. Identify what is keeping your company from being as flexible as it once was. You have to be able to respond to client needs quickly and effi-

ciently. If that isn't happening, fix it.

4. Look around and find two strategic partners that share your client base. Be aggressive and spend time outlining the advantages to working with these alliance partners so that results will appear quickly.

5. Seek out and find hidden pockets where profit is hiding. Look at your entire business. Where are those new eyes? Tap into the intelligence residing in every single employee and ask them to share what they see.

6. Look inward. Examine your own leadership skills. Now isn't the time to gloss over your weaknesses. Now is the time to reach deep inside and ask what other skills you can learn that will help your company prosper.

7. Reassess your team. Not every person is a fit. Release the ones that need to move on and open the door to find new talent, new perspective, new ideas and new energy.

8. What don't you know about your company that you should? Are you totally aware of how your company spends money? If not, get educated. Are you aware of what your clients

think about your products or services? You better be asking.

9. What is your communication plan? You better believe that there are vast information voids in your company and your employees are filling up those information voids with negative inputs. Begin communicating your vision, your plan and be both aggressive and candid about telling your employees what they need to know.

10. Look outward. Who can help you get a better understanding of how to manage your challenges?

Strategic Advisory Boards can help; I bring CEOs of privately owned companies together in formal peer groups to create unique external scaffolding that supports the tough, sometimes uncomfortable internal work a CEO needs to do to move the company in the right direction.

With support from your CEO peers on tasks like goal setting, business planning and execution, using the copyrighted Strategic Growth Navigator planning tool and an uncompromising focus on accountability, you'll be able to confidently and consistently get your business back on track to sustainable growth.

What have you got to lose?

Visit StrategicAdvisoryBoards.com today to learn about nationwide peer groups on Zoom or call Ken Keller at 661.645.7085.



Ken Keller

Ken Keller facilitates Strategic Advisory Boards, bringing small & midsize company CEOs together to improve planning, performance and growth to increase revenue, execute plans, and grow profits. SABs meet via Zoom and clients are worldwide, in just about any industry.

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TAX NEWS

DIG THIS



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credits (other than those disproportionately claimed by lower income individuals) that are not verifiable by third-party reporting." That means no fees for reporting income the IRS can already verify with W2s and 1099s, or for claiming the standard deduction, or for claiming the earned income credit. But we can just picture a new Schedule UFC, "User Fee Calculation," with separate line-items, sub-schedules, and fee amounts for each sole proprietorship, rental property, or K1 you report.

Professor Cauble says herself that "the prospects of Congress adopting such a fee in the current political environment are dim." That's professor-speak for, "this whole paper has been a delightful 46-page academic exercise with no real-world consequence." But in the unlikely event the IRS does start charging you to dig your own grave, count on us to help you make that shovel less expensive!

The Cambridge Dictionary defines "digging your own grave" to mean doing "something that causes you harm, sometimes serious harm." Kids who don't do their homework, politicians who cut popular spending programs, and people who over-share on social media all dig their own grave in one way or another.

It's not every day that someone charges us for the privilege of digging our own grave. But if DePaul Law School Professor Emily Cauble has her way, someday the IRS may ask us to do just that. She's just published a paper in the Harvard Journal on Legislation, arguing it's "Time for a Tax Return Filing Fee." She starts by pointing out that audits are expensive, and some returns are more expensive to audit than others. So, to encourage taxpayers to cover the costs they impose on the tax system with "complex transactions," Congress should impose a filing fee on the ones who are hardest to audit.

Specifically, Cauble would impose a fee on corporations with more than \$10 million in assets who file Schedule UTP, the "Uncertain Tax Position Statement." This is a special form you file if you're actually setting aside reserves to cover the bill if the IRS shoots you down. That fee would go up with the number of uncertain positions you take, or the difficulty of auditing those positions.

At first glance, that's not an outra-

geous idea. Government agencies routinely impose user fees to cover costs for specific services. Want to protect your genius invention? Pay the Patent & Trademark Office a fee ranging from \$50 to \$10,000. Want to license a new nuclear reactor? Pay the Nuclear Regulatory Commission a fee of up to 33% of the cost of issuing the license. Want the IRS to rule on your position before you file a return? Pay a fee of up to \$30,000 for a "letter ruling" giving you the thumbs-up.

But those fees are all voluntary. You don't have to patent an invention, power up a nuclear reactor, or request a letter ruling. Taxes are mandatory, and it just doesn't seem sporting to make you pay extra to red-flag your own return!

Here's another problem. Taxes are famous for starting small and growing out of control. (Sort of like how kittens grow up to be cats.) Back in 1913, rates started at 1% on incomes over \$3,000 (\$78,000 in today's money), and rose to 7% on incomes over \$500,000. That \$3,000 threshold meant less than 1% of Americans actually paid any tax at all. Today, of course, nearly everyone with a job pays, and you'd probably laugh if you got away with paying just 7%.

Cauble writes that if her user fee grows, it "could be tied to the amount of certain deductions and

COMMERCIAL INSURANCE

TAKE ADVANTAGE OF RE-OPENING

Before re-opening, employers may want to take advantage of the opportunity to identify and address some Safety and Risk Management items that were often neglected during peak business times.

UPDATE YOUR IIPP

While most companies have a written Injury and Illness Protection Program (IIPP) in place, over the years many fail to maintain and update them. Take a moment to review your written IIPP and confirm that it meets current OSHA guidelines.

CONDUCT A SAFETY & LOSS CONTROL SELF-INSPECTION

Gather your company's operations and safety personnel, the carrier's loss control representative and of course your broker, and walk-through your facilities. Take pictures and notes of each issue that should be addressed later and be sure to follow up.

COMPREHENSIVE ERGONOMICS EVALUATION OF WORKSTATIONS

Conduct a comprehensive ergonomic evaluation of each workstation before your employees return. Confirm that each chair is set up properly and that there aren't any broken parts. Make sure keyboards are not sitting on desktops when a keyboard tray should be in use, computer screens should not be set up to the side of the employee's direct line of vision while they are working, and screens that are set too low or too high should be adjusted.

This may even be the time for some employers to purchase new ergonomically sound desks and chairs. Imagine the boost in moral when employees return to the office and find a new and ergonomically sound work environment.

INSPECT FIRE EXTINGUISHERS AND CONDUCT FIRE SPRINKLER TESTING

If a fire safety service hasn't continued to recharge and replace all fire extinguishers during the shutdown, it's likely many of them are now over-due for service. This would also be a good time to determine when the last fire suppression system testing was completed.

INSPECT AND UPDATE EYEWASH AND FIRST AID KITS

Like fire extinguishers, eye-wash units and first aid kits have a limited shelf life, and they may need to be re-charged and re-supplied.

INSPECT YOUR FLEET

It is always a good safety practice to do scheduled physical inspections of all company vehicles. This is especially true if those vehicles have been dormant for a while. Make sure back up beepers are working properly, then look for things like balding tires, low air pressure, diminished braking capabilities, broken headlights, worn out windshield wipers. Also consider running updated Motor Vehicle Reports on all drivers.

DO SOME SPRING CLEANING

During the pre-Covid boom, some businesses struggled to maintain good housekeeping practices. Piles of wooden pallets were tossed on a pile behind the building, packaging materials may not have been disposed of properly, and storage rooms filled up with old files. Much like the weekend, pre-reopening should be a good time to clean house.

With a little pre-planning, businesses can use the Covid crisis to their advantage by addressing some important Safety and Loss Control issues. Be sure to engage your broker and carriers in your efforts.



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HUMAN RESOURCES COMPLIANCE

CALIFORNIA'S NEW COVID-19 SUPPLEMENTAL PAID SICK LEAVE

Employers must start providing this new leave on **March 29, 2021**, so they will need to get up to speed on this new law quickly.

The new COVID-19 supplemental paid sick leave applies to **all employers with more than 25 employees**.

All employees working for covered employers are eligible for leave. Now, employees may take paid sick leave if they are unable to work or telework because they are:

1. Subject to a quarantine or isolation period related to COVID-19 as defined by an order or guidelines of the State Department of Public Health, the federal Centers for Disease Control and Preven-

tion or a local health officer who has jurisdiction over the workplace.

2. Advised by a health care provider to self-quarantine.
3. Attending an appointment to receive a COVID-19 vaccine.
4. Experiencing symptoms related to a COVID-19 vaccine that prevent the employee from being able to work or telework.
5. Experiencing symptoms of COVID-19 and seeking a medical diagnosis.
6. Caring for a family member who is subject to an order or guidelines, or who has been advised to self-quarantine.
7. Caring for a child whose school or place of care is closed for COVID-19 reasons.

Employers cannot request a medical certification before granting COVID-19 supplemental paid sick leave. Employees are entitled to take leave immediately upon their request.

Full-time employees are eligible for 80 hours of COVID-19 supplemental paid sick leave.

Part-time employees are eligible for an amount of leave equal to the number of hours they are normally scheduled to work in two weeks. If an employee works a varying schedule, they're entitled to hours equal to 14 times the average number of hours the employee worked each day in the prior six months, or over the total time of

employment if less than six months.

Employers are required to provide notice to their employees informing them of their rights to supplemental paid sick leave under the new law.

Additionally, the COVID-19 supplemental paid sick leave must be reflected on employees' wage statements. The new law specifies that the COVID-19 supplemental paid sick leave must be set forth **separately** from other paid sick days. For employees with part-time or variable schedules, the law allows employers to do an initial calculation of leave time available with the notation "variable" next to it. Employers must still provide updated calculations when employees request to use their COVID-19 supplemental paid sick leave.

TAKEAWAYS FOR EMPLOYERS

This expansive new leave mandate for employers could be costly and administratively burdensome, particularly when it comes to the retroactive component. Employers should consult with legal counsel on implementing this new leave requirement, which begins March 29, 2021, as well as potential interactions with other laws and ordinances. Employers may be able to take advantage of the new federal extension of [FFCRA tax credits](#), but the voluntary extension of FFCRA comes with its own issues to consider with the help of legal counsel.

Employers should review and continue to monitor the Labor Commissioner's [COVID-19 Supplemental Paid Sick Leave FAQs](#) for updated guidance on the new leave.

As always, if you have any questions please contact at 661-600-2070 or info@jorgensenhr.com.



Barry Cohn, CEO

JorgensenHR

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MANUFACTURING EXCELLENCE

FROM MRP TO SRP

Materials Requirements Planning (MRP) has become a standard tool for all manufacturing companies. This software system is essential for initiating, tracking, completing and analyzing all aspects of the manufacturing process. This includes on-time ordering and delivery of materials, planning, scheduling and execution of the manufacturing process, inventory and shipping management.

Due to the complexity of manufacturing and assembly operations, these systems are the backbone of the data management, measurement and execution functions in manufacturing operations.

Over time, MRP systems have expanded to integrate with Sales Management, CRM, Project Management, Human Resources and Financial Management. These expanded systems are commonly referred to as Enterprise Resource Management (ERP) systems.

These systems enable a manufacturer to integrate all of its systems into a single interactive database. Instead of a myriad of spreadsheets, standalone software packages which do not communicate, sticky notes and other electronic files, ERP is able to integrate all company operations into a single interactive system.

The benefits are significant. This creates a common database for all employees rather than a plethora of private files distributed between desks, file drawers and server folders. All of this company data is now available to all employees as required. The data is interactive so that employees are notified of changes and new activity. These systems get everyone on the same page.

Manufacturers have moved to these systems out of necessity. Due to the complexity of their operations with the constant flow of new inputs, data changes and frequently changing customer and vendor status and requirements, they are essential for keeping operations under control.

But what about the Services Industry? Wouldn't this make sense outside of the manufacturing world? How to track sales activity from contact to contract? Managing project status and billings? Tracking opportunities from quote to cash? Integrating recruiting, human resource management, payroll and finance? Document and work flow management?

In recognition of the need to integrate and track these functions in growing service industries, there is developing on the software scene Services Resource Planning, or SRP. Oracle has moved into this space with NetSuite which has been tailored for companies with as few as 10 employees. Other entrants are newer software companies like Ramco Systems and Acumatica.

If you are finding it increasingly difficult to keep your arms around all the activities, data, customer and vendor interactions in your growing service business, consider SRP. As someone coming out of the manufacturing world, I cannot imagine functioning without an effective ERP system. It provides structure, discipline, visibility, and most of all, peace of mind. SRP may be a solution which can deliver the same benefits for your services company as well.



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INFORMATION TECHNOLOGY

14 CYBERSECURITY MYTHS AND MISCONCEPTIONS

In the ever-evolving threat landscape that we now live in, cybersecurity preparedness has become paramount for ensuring uninterrupted technology services, let alone business operations. As there are new breaches, hacks, and attacks daily, inadequate cybersecurity preparedness could result in a catastrophic outcome.

So, how do you stay ahead of things? First - by knowing what's real and what's misinformation.

Here are some of the more common cybersecurity myths needing to be debunked to ensure you're properly approaching and reducing your risk around cybersecurity.

1. CYBERCRIMINALS DON'T TARGET SMALL OR MEDIUM-SIZED BUSINESSES

Most Small and Medium-sized Businesses (SMBs) often think that they are immune to cyberattacks and data breaches because "we're too small" or "nobody wants our data." This couldn't be further from the truth. Attackers aren't looking at specific businesses to attack, but rather attacking anything and everything. Small businesses often lack the appropriate security protection, actually making them an easier target.

2. WE'RE UNLIKELY TO EXPERIENCE A SECURITY BREACH

Many organizations assume they're unlikely to experience a security breach because of the industry they're in or their business nature. In contrast, every business is highly likely to suffer a security breach at some point.

3. WE'VE NEVER EXPERIENCED A CYBERATTACK, SO OUR SECURITY POSTURE MUST BE STRONG ENOUGH

Cyberthreats are continually growing in sophistication and complexity and organizations need to strive continuously to stay ahead of this ever-changing landscape.

4. OUR PASSWORDS ARE STRONG ENOUGH TO AVOID A DATA BREACH

Strong password practices are only the start. A robust security system comes with a multi-layered defense.

5. SECURITY IS THE RESPONSIBILITY OF THE IT DEPARTMENT

As a security breach can have potential and long-lasting effects on the entire business, the culture change needed to address this in real and meaningful ways comes from leadership.

6. ANTI-VIRUS AND ANTI-MALWARE SOFTWARE ARE ENOUGH TO KEEP US SAFE

Technology alone won't protect your entire IT infrastructure from all cyber risks. The organization must adopt a comprehensive cybersecurity plan that addresses all of the potential failure points.

7. A PASSWORD IS ENOUGH TO KEEP A WI-FI NETWORK SECURE

While passwords limit users' access to a Wi-Fi network, the users in the network can potentially still gain access to sensitive data that's being transmitted. At a minimum, employees should employ a Virtual Private Network (VPN) to secure their connections.

8. STAYING COMPLIANT WITH INDUSTRY REGULATIONS IS ENOUGH TO KEEP US SAFE

Regulations often contribute only the bare minimum of security practices. Being compliant doesn't necessarily mean you're secure. Organizations must consider whether the regulations are significant enough to provide the protection needed.

9. A THIRD-PARTY SECURITY PROVIDER WILL SECURE EVERYTHING

Regardless of the security provider's capabilities and credentials, you have a legal and ethical responsibility to secure your systems and data.

10. CYBERTHREATS ONLY COME FROM EXTERNAL ACTORS

Often times, employee negligence, ignorance, and malicious behavior make insider threats a higher-security risk than outsider threats.

11. WE ONLY NEED TO SECURE INTERNET-FACING APPLICATIONS

Organizations must have adequate controls



Craig Pollack

FOUNDER & CEO

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in place to prevent and address the inside attack vector as well.

12. WE PERFORM PENETRATION TESTS REGULARLY

A penetration test is ineffective on its own - as it's only a snapshot in time. True cybersecurity is an ongoing approach.

13. WE'VE INVESTED IN SOPHISTICATED SECURITY TOOLS, SO WE'RE SAFE

Organizations all too often think investing in security solutions builds an invincible shield between their networks and cybercriminals. Cybersecurity solutions are certainly an essential part of keeping your business secure, but it won't shield you from everything.

14. WE'VE ACHIEVED COMPLETE CYBERSECURITY

Know that cybersecurity is an ongoing process rather than an outcome. New, innovative, and sophisticated cyberattacks evolve with time, putting your organization at continuous risk.

IN CONCLUSION

Knowing that "cybersecurity myths are merely illusions" is the first step towards developing the appropriate cybersecurity maturity level needed to adequately protect your organization.

COMPANY BENEFITS

NEW COBRA SUBSIDY PROVISIONS IN THE AMERICAN RESCUE PLAN ACT

The American Rescue Plan Act (ARPA) provides a 100% subsidy of premiums for employer-sponsored group health insurance continued under COBRA and similar state continuation of coverage programs.

ARPA subsidies cover the full cost of COBRA from April 1, 2021, through Sept. 30, 2021, for employees (and their qualifying family members), if the employee lost or loses group health insurance due to an involuntary job loss or reduction in work hours. The subsidy applies to people who are still within their original COBRA coverage period, for the length of that coverage period, even if they declined or dropped COBRA coverage earlier.

The subsidy does not apply to:

- Individuals whose job loss was voluntary or the result of gross misconduct; or
- Individuals who are eligible for another group health plan or Medicare.

The subsidies are funded through a payroll tax credit. The subsidy is funded by a refundable, advanceable credit against payroll taxes taken by employers or carriers.

Employers are required to provide new notices about the subsidy to employees. The U.S. Department of Labor (DOL) will issue model notices for this purpose.

The ARPA allows covered individuals to switch to similarly priced health coverage, if the employer allows it.

The election period for subsidized COBRA under ARPA begins on April 1, 2021, and runs until 60 days after the date individuals receive notice from the health plan of the availability of the COBRA subsidy.

General Notice

Plan administrators must provide notification of COBRA benefits under ARPA. The notice must be written in clear and understandable language, and it must inform recipients of the availability of ARPA premium assistance and the option under the ARPA to enroll in different coverage (if the employer permits the option).

The notice must be provided to individuals who become eligible for COBRA during the period of April 1 - Sept. 30, 2021. In addition, it must be provided by May 31, 2021, to people who have already elected COBRA

coverage, and to people subject to the ARPA election extension—that is, people eligible for the subsidy who declined or discontinued COBRA before April 1, 2021.

The notification may be included in an amendment to a plan's existing notices or be given in a separate notice, but it must contain the following information:

1. The forms necessary for establishing eligibility for premium assistance
2. The name, address and telephone number necessary to contact the plan administrator and any other person maintaining relevant information in connection with premium assistance
3. A description of the extended election period under the ARPA
4. A description of the obligation of qualified beneficiaries to notify the plan if they become eligible for another group health plan or Medicare, and the penalty for failure to do so
5. A prominently displayed description of the right to a subsidized premium and any conditions on entitlement to the subsidized premium
6. A description of the option of the right to enroll in different coverage (if the employer permits this option)

Employers should familiarize themselves with the provisions of the ARPA and watch for agency guidance on its implementation.

As always if you have any questions please contact me.



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FACTORING TRENDS FOR 2021

INCREASED DEMAND

There's been a saying in alternative lending that "banks primarily look in the rearview mirror in regards to a client's financial performance, but a factoring company looks at the opportunities a company has in the future." In these unprecedented times, it's going to be difficult for banks to evaluate a number of business' performances in 2020. We expect the need for factoring to increase as companies look for financing partners to help manage their cash flow and keep their businesses running smoothly during this time.

RAPID GROWTH IN CERTAIN MARKETS

Consumer spending habits and priorities have all changed as a result of the pandemic. Despite the overall negative impact of COVID-19, certain industries have experienced rapid growth. That's when cash can get really tight. Besides that, we have been told that if a business is growing more than 10-15% per year, that's usually considered too aggressive for traditional bank financing. Banks get concerned about the strain that growth puts on cash flow and the uncertainty of future performance. So that's when alternative lending programs like factoring gain in importance and popularity.

OLDEST FORMS OF FINANCE

If you are in an industry that gets paid right away by cash or credit card, consider yourself one of the lucky ones. Even paying the discount fee to your credit card processing company seems like no big deal when you consider the alternative-waiting 30, 60 or 90 days to get paid when 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. The turnover rate for A/R varies some by industry but averages about 47 days on a net 30 invoice.

Unfortunately, business that try to clamp down on late payments may run the risk of losing customers.

Accounts Receivable Financing (aka Factoring) is one-way business owners speed up payment on their B2B invoices. It's the oldest form of business funding-currently a billion-dollar industry. Let's look at a business cycle with factoring. (see chart)

We have established a network of the industry's most aggressive small business funding sources. If A/R financing is right for your business, we will work to get you a competitive offer.

YOUR BUSINESS CYCLE AS IT IS TODAY	YOUR BUSINESS CYCLE WITH A FACTORING PROGRAM
TODAY	
Your company provides a service or product to another business. Upon completion of service or delivery of product, you invoice your customer on credit terms; for this example, we'll use \$1,200 at Net 30.	Your company provides a service or product to another business. Upon completion of service or delivery of product, you invoice your customer on credit terms; for this example, we'll use \$1,200 at Net 30.
DAY 1	
You invoice your customer and put the invoice in the mail.	Upon invoicing your customer, you present the \$1,200 invoice to the factoring company. In as fast as 24 hours, a wire for up to 90% of the face value of the invoice (\$1,080) is sent to the bank account you designate.
DAYS 2-59	
<p>You wait for payment from the customer. Unfortunately, your customer takes longer than anticipated to pay their invoice. You may have to:</p> <ul style="list-style-type: none"> • Call your customer numerous times, or • Send them another copy of the invoice, as they misplaced the original, or • Wait for a check that was supposed to be in the mail. <p>In the meantime, you've had to make payroll (probably 4 times), pay your suppliers, pay taxes and make lease payments.</p> <p>Worse, you may have lost opportunities for new sales as your time, staff and money were tied up in this unpaid invoice.</p>	<p>With your money in the bank, you can return to the day-to-day management of your business.</p> <p>The account executive team informs your customer to send payment to a new PO box and can handle the details of collecting from the customer.</p> <p>Because you received the bulk of your payment on Day 1, you avoid both cash flow shortages and collection hassles.</p> <p>Additionally, during the past 2 months, you were able to use that money to pay bills, purchase more supplies, generate for sales and grow your business.</p>
DAY 60	
Whew! You finally receive a check for \$1,200 on Day 60. Now you can get back to business and start the cycle all over.	The factor finally receives a check for \$1,200 on Day 60. Your reserve is refunded back to you.

WE CAN DO BETTER IT'S NOT BLACK AGAINST WHITE; BUT EVERYONE AGAINST RACISM

This is an excerpt from a book I highly recommend for anyone who wants to learn more about why white and blacks feel the way they do about race, the book is titled, "White Fragility" and is written by a white woman, Robin Diangelo.

"When white people ask me about what to do about racism and white fragility, the first thing I ask is, 'What has enabled you to be a full, educated, professional adult and not know what to do about racism?' It is a sincere question. How have we managed not to know, when the information is all around us? When people of color have been telling us for years? If we take that question seriously and map out all the ways we have come to not know what to do, we will have our guide before us. For example, if my answer is that I was not educated about racism, I know I will have to get educated. If my answer is that I don't know people of color, I will need to build relationships. If it is because there are no people of color in my environment, I will need to get out of my comfort zone and change my environment; addressing racism is not without effort."

I share this because through our hopeful compassion and empathy, we are learning to and expecting ourselves to take action. I will share my personal examples of learning. When I realized through coaching sports that there were kids on the margins that didn't have the same opportunity, I helped coach a high school football team in Compton. When I started visiting a juvenile detention center, I saw first-hand how unfair the criminal justice system was to people of color and became an advocate by mentoring at Homeboy Industries, working with former gang members to find hope and a life beyond their circumstances. When I realized there were thousands of hungry and homeless people on the streets, I started helping to take and serve food to those on the streets and I found that the high percentage of people I met were black males. You see I formed relationships and I learned and that in many ways we all are the same kind of different. Through exposure and education, I learned to meet people where they were at and learn to understand and show empathy in any way that I could. As Father Greg



Paul Mitchell

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Boyle of Homeboy Industries says, 'we don't go to the margins to make a difference, we go to the margins to make US different.'

That is the message from the excerpt from the book. Yes, we have to educate ourselves, but we must also seek to be in relationship with the black community in our work and in our areas of influence. And yes, it may take us out of our comfort zone, but don't we have to do that for anything in our lives that makes a difference? That is this mission and goal for our business leaders to see that as primarily white men, there must be education and the willingness to form relationships outside of the standards we become so comfortable with. We have to learn this is not black against white; but is everyone against racism. Then we will make progress.

CFO Insights

IS YOUR BUSINESS SALEABLE?

Selling Your Business. A series of articles providing information to business owners who are starting to think about exiting their business.

9,746

This is the number of privately held businesses that were sold in 2019. Compare this to the 20 million privately held companies in the United States. Less than 1/10th of a percent of privately held businesses were sold.

WHY ARE SO FEW BUSINESSES SOLD

How could the number of businesses sold be so low? The answer is not attrib-



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utable to a lack of buyers or investment funds. It is estimated there is approximately \$3 trillion in private equity funds. Global private equity funds raised \$595 billion in 2019 per industry tracker Preqin.

The reason for so few sales is simple. Most businesses are not saleable. The reasons why are many, but here are a few of the most common ones:

- They are too closely aligned with the owner. The owner is the business.
- It is too small to warrant going through a transaction.
- Unrealistic expectation of the value of the business.
- Operational issues or risks that buyers are unwilling to accept.

So, what can you do to increase the likelihood that your business is saleable?

First, well run, growing and profitable businesses are generally saleable. Does your business have a strong management team that can effectively run the business while you are vacationing? Does revenue growth exceed industry averages? Are you gaining market share? Are operating margins at or above industry averages? If you answer yes to most of these questions, then your business may be saleable. If you answer no, are there changes that you can and will make, to change the answers to yes?

THE SUCCESS TEAM™

The next step in making your business saleable is to assemble the **Success Team™** of highly qualified trusted advisors that will guide you through the sales preparation and sales process. The Success Team™ will minimally include

a business transaction attorney, CPA, investment banker or business broker, financial planner and a B2B CFO®, who will act as the quarterback. Of course, the most important member of the team is the business owner.

If you were planning to sell your house, you would prepare it to ensure it presents best to potential buyers. This may include painting, landscaping, decluttering, etc. You need to do the same for your business. You need to show profitable growth, an engaged management team, well organized records, etc. However, instead of taking months for a house, it could take several years for your business. The **Success Team's™** responsibility is to help prepare the business for sale.

The most frequent reason buyers abandon a potential purchase is attributable to deteriorating business performance. Business performance deteriorates due to business owner distraction. The business owner devotes time, effort and worry to the sale, taking away from running the business.

Using the Success Team™, the business owner stays fully informed, making all critical decisions but is not burdened by the detailed process. They devote most of their time to running and growing the business.

Are you ready to sell your business? Would you like an assessment of how saleable your business is? If you are ready to start planning your exit now or would just like to know more about what exit planning is all about, please call me.



SOCIAL MEDIA

WHY GOOGLE VOICE SEARCH SHOULD BE A PRIORITY IN YOUR OVERALL DIGITAL MARKETING STRATEGY

Google is king of the search engine industry with over [90 percent](#) market share worldwide. To boot, their Google Assistant app and speaker pulls information exclusively from Google and Google My Business – it is a closed-loop Google ecosystem.

Ongoing improvements mean voice queries will only continue to grow – and businesses who optimize for Google Voice Search gain the competitive edge over those who don't. Luckily, setting up your business site to catch local voice search traffic is easy and affordable.

DO YOU UNDERSTAND CONSUMER INTENT?

Consumers turn to Google Voice Search to make three kinds of queries: Discovery, Direct, and Knowledge.

1) Discovery Voice Search

When making a discovery search, consumers are putting out feelers. They want to know what their options are but don't have a specific business in mind.

Examples of a discovery voice search might be:

- "Who is the [best digital marketing agency](#) near me?"
- "Where's the nearest coffee shop?"

2) Direct Voice Search

During this type of search, people are generally in need of a phone number, address, or directions. Claiming and optimizing your Google My Business listing will help you be there to answer the door.

Examples of a direct voice query could include:

- "Call Jon at Social Spice Media."

- "Get me directions to the closest Starbucks."

3) Knowledge Voice Search

When people want in-depth information or facts, they are conducting a knowledge voice search. Writing long-form content with concise statements that answer specific questions can help your content be heard by potential customers.

Here are some examples of knowledge voice searches:

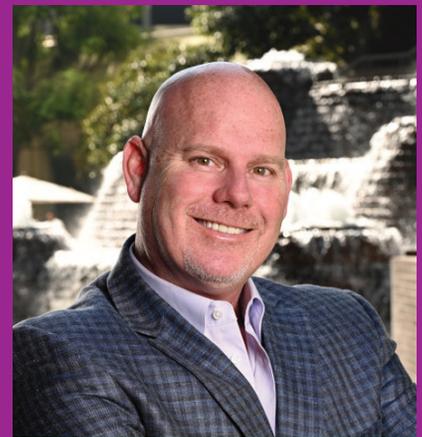
- "How can I make my website [ADA compliant](#)?"
- "What do I need to build a robot?"

OPTIMIZING YOUR GOOGLE MY BUSINESS (GMB) LISTING

Even though all three query types should factor into your marketing strategy, direct voice searches play a vital role in converting the curious consumer into paying customers.

People who make a direct voice query are looking for you specifically. Google Voice Search will pull your business information from your Google My Business listing. Here's the information you need to include so your customers know when and where to find you:

- Physical address or service area if you do not operate out of a brick-and-mortar store (Never use a PO box or USPS mailbox)
- Phone number with an area code. The correct area code (as opposed to an 800 number) ties your business to a specific location and will boost your results over businesses that are further away
- Business URL
- Operating hours



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And, of course, remember to verify your GMB listing so customers know it's really you!

HOW TO OPTIMIZE FOR GOOGLE LOCAL VOICE SEARCH

Because Google Assistant pulls from Google Search results, you really need to [optimize your site for SEO](#), period.

Here are some things you can do to gain one of the coveted top three positions:

- Optimize for mobile use
- Use keyword-rich content
- Use title and meta tags
- Optimize for speedy page load times
- Secure your site with an HTTPS URL

IS YOUR BUSINESS SITE EASILY DISCOVERABLE?

[Contact our experts](#) at Social Spice Media today to make sure your business is optimized for voice search, or, if you use the Google Assistant app, just say "Hey Google, call Social Spice Media".

INSOLVENCY ADVISING

THE VALUE OF A TURNAROUND PRO

*I've been everywhere, man.
I've been everywhere, man.
Crossed the desert's bare, man.
I've breathed the mountain air, man.
Of travel I've had my share, man.
I've been everywhere.*

-Johnny Cash

I have been to a lot of places throughout the United States. I am grateful for the experiences I have encountered at various engagements during my career. I graduated from Yeshiva University in 1990 with a BS in accounting and began my accounting career at KPMG. My first job in Industry was with a unique specialty food retailer. The position held promise to meld my passion of culinary arts and finance.

I was the first CPA hired. On my first day the President of the Company stated, "in retail you grow or die" and continued with a sigh "right now we do not have the infrastructure to grow". The Company was profitable but had ambitious plans for growth. There was a goal to expand beyond California. When I started the chain had 50 stores. Unfortunately, the IT system that supported the finance function was on life-support. The manufacturer of the hardware was no longer in business and the system was being held together by spare parts. A new proprietary system was purchased, but the reports spit out only zeros. The contractor that wrote the program was fired and documentation was limited.

I was tasked to make the new system work, establish accounting procedures to close the books in a timely manner, prepare analysis and assist in financial projections to determine cash requirements to support na-

tionwide expansion. On day one, I had no clue about the intricacies of retail accounting. I made that clear in my interviews. But I obtained study resources and applied rigor to quickly learn about the industry. I mention this, because each engagement I have been on there was the challenge and a privilege to learn the drivers, uniqueness and dynamics of the company's industry.

In business school I became infatuated with the idea of turnarounds. I was naïve about what was involved in achieving a financial turnaround. It was evident when I applied for a job at Kibel Green. Its founder, Harvey Kibel wrote the book *How to Turnaround a Financially Troubled Company*. I wanted to be a part of that team. Harvey's partner, Steve Green suggested I obtain more experience and keep in touch. After a few roles with troubled companies, Steve was open to me being part of the team.

My first assignment at West American Rubber Company (Warco) was a success. See email below from the Company's president.

Dear Jonathan,

We have appreciated not only your help, but getting to know you. You have contributed to our progress and know you are rooting for us. Both WARCO and Biltrite have weathered the Great Depression and every recession since then. Our intent is to see WARCO & Biltrite through this one too.

We expect we'll see you along the way.

Best regards,
Steve



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One of the senior leaders at Kibel Green, Bruce Conklin sent me a note that stated, "Jonathan – nice note from Steve. We don't always get this. You connected well. Be proud." At the completion of the engagement, Harvey Kibel approached me and asked, "are you the kind of guy who will be an expert at one industry or be the guy who can acclimate within reason to new environments." I stated that I identified with the latter. Since then, I have been figuratively "everywhere" making an impact.

Indeed, I understand and appreciate the value of a Turnaround Consultant's role. It can be summed up succinctly, with an experience calling American Express on behalf of a client to ask for more time to address their challenges. The representative responded to my request favorably by saying "Oh, you are a Turnaround Guy, I will give you another three weeks to come up with a plan." With that extra time, we were able to get the client breathing room to renegotiate with its stakeholders and implement a plan.