



# Conducting Business in Uncertain Times: 7 Trends to Help Maximize Cash & Capital

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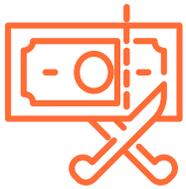


# Goal of Discussion

Share tips and best practices from your industry peers that allow you to spot opportunities in managing your cash & capital in the current environment.

## OVERVIEW

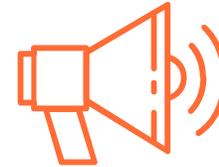
# 7 Trends to Help You Maximize Cash and Capital



1. Expense Reduction



2. Product Innovation



3. Marketing Is Essential



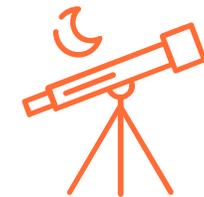
4. Hybrid Working Model



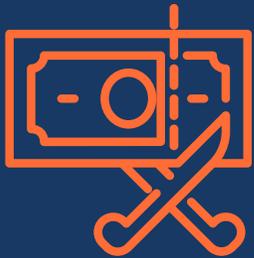
5. Relationships Matter



6. Leveraging Data



7. Redefine the Client Experience



## Expense Reduction

**More than 75%** of those working at the best-run midsize businesses consider expense and spend management a priority.

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**Expenses are something any business owner is always looking to minimize.** Cutting and reducing your expenses may not be easy; it requires creativity and trying out new things you may have never considered.

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**Potential to create a Win-Win situation** — by reducing expenses and maintaining or even improving quality.

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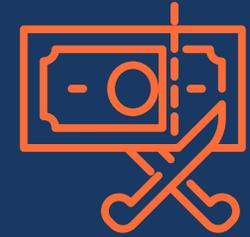
**Spend more time analyzing your financials for trends.** Make expense reduction a key exercise moving forward. Look at your financial statements on a regular basis to spot creative ways to cut expenses.

# Identifying Value from Expense Reduction

## Ask yourself these questions:

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- In the short term, where are the **quick wins** in the company that help free up cash for short-term liquidity?
- What activities are necessary** to keep the “lights on,” and are there opportunities to realize savings in these areas?
- Do you have any **nonessential capabilities that can be cut**, or are there areas where you can lower the service level?
- How can we **sustain choices** made today once economic conditions improve?
- What steps are necessary to create a culture that supports **expense reduction** throughout your business?



## Today's themes

Establish what a good  
(vs. bad) expense is

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Expense reductions are  
made out of necessity

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Identify quick savings  
wins to free up cash



## Product Innovation

**92% of small-business leaders** report pivoting in at least one way during the pandemic, while many have pivoted in multiple ways; only eight percent didn't pivot at all.

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**Focus on your core areas of strength.** Identify key drivers of your company's growth to understand where to prioritize.

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**Know your customers better than ever.** Know what your customers feel and do, and why they do it. Explore setting up a “Voice of the Customer” program to listen for shifts you can get in front of.

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**This is the time to reevaluate the positioning of your product or service.** Consider revamping your product messaging or pricing strategy to tailor the right message to your target leads and clients.

## CASE STUDY

# Product Innovation



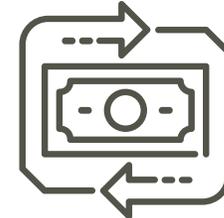
### Challenge:

Create new opportunities and maintain a strong pipeline



### Solution:

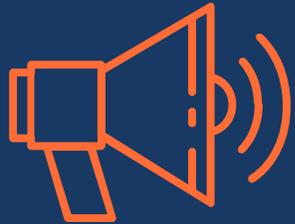
Look to technology and creative ways to solve current problems your client is experiencing now



### Outcome:

Use technology and creative thinking to make up for lost revenue opportunities by utilizing resources already available

Focus on Value Over Price



Marketing Is  
*Essential*

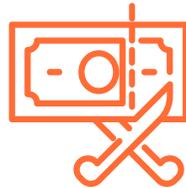
How has your marketing spend **changed** in the past few months?

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**Increased** our marketing spend

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**Reduced** our expense

## TAKE ACTION

Reducing marketing expenses does not have to mean reducing marketing

Get started laying the foundation for future growth



### Today

- Adapt, optimize and adjust marketing priorities and budget
- Understand what drives value with your customers and evolve to meet changing needs
- Monitor competitive activity for opportunities



### Tomorrow

- Invest in affordable marketing such as public relations and social media
- Double down on brand campaigns; share stories of goodwill and show your humanity
- Ramp up digital delivery of marketing



## Hybrid Working Model

**Offices are not going away.** Think of these pros and cons when establishing your hybrid working model:

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### PROS

- Increased geographic diversity opens up the talent pool
  - Great for employees who want flexibility and balance work and personal life
  - Save time commuting; more productivity
  - Lower real estate and associated costs
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### CONS

- Doesn't suit every employee
- Productivity concerns
- Many roles require a physical presence
- Some employees have difficulty with work-life balance

# Not Every Company Can Have a Work-From-Home Model

To get the best of all worlds, you should:

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Carefully consider ways to **capture the benefits** — whatever they are — found from new workflows during this time.

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Understand **there is no right or wrong way** to structure your workplace for the long term after COVID-19. So much depends on how you go to market, your business and your industry.

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Pay attention to **how you communicate**. This part can go terribly wrong, so be sure you get it right.

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Ultimately, how you structure your workplace environment is about promoting the **health and safety of your people** — and it is important to send strong messages about your concern for their well-being.



## Today's themes

Upgrade technology  
for remote workers

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Ask employees for  
feedback and engage

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Enlist health care  
and industry experts



## Relationships Matter

**Repeat customers spend 67% more** than new customers showing that retention is key to sustaining business.

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**Double down on your strategic relationships and focus on your ecosystem.** These relationships are the most valuable source of revenue and these colleagues are your competitive advantage.

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**Always be transparent.** A transparent relationship with all your business partners is vital. Open, two-way communication helps you build a level of trust that is critical for maintaining your relationships.

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**Listen.** Make the effort to understand how your clients' and stakeholders' priorities have changed and what matters most to them.

# Quick Tips to Build Relationships Remotely:



**Take the first step.** Set goals to schedule at least one meeting with a contact or follow up with one client every day.



**Use technology.** Virtual meetings are a great way to engage. You can also use your social media channels to engage with your relationships and show you care.

## **Continue adding value for others by being resourceful:**



- Continue to make introductions
- Discuss challenges and possible solutions by asking, “Would it be helpful if ...” questions
- Share articles, best practices or something of interest to that person



**Continuously** updating your communication frequency and approach based on your evolving financial goals, current environment, and your clients needs.



## Leveraging Data

Those that use data analytics tools enjoy **15% more sales** than companies that don't.

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**If you haven't already started collecting data and analyzing it, start now!**

You more than likely already have enough information to start analyzing — you can pull from data sources such as prior sales and current customers, just to name a few.

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**Prioritize what data to collect.** When you measure the right things, you will be able to better predict and measure what you want to achieve.

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**Culture.** Build a culture that uses data to train and make better business decisions in every scenario.

## TAKE ACTION

There is so much data available today that it can be overwhelming for a small-business owner.

### How to get started



#### Today

- Start small by prioritizing what data to collect.
- Build a culture that utilizes data for better business decisions.
- Measure the right things; think in advance about what you want to achieve.



#### Tomorrow

- Use technology to visualize data for real-time decisions.
- Develop a data-first mentality — expand usage of data tools and training for more adoption across the company.
- Communicate the outcomes of data analysis across your organization on an ongoing basis.

## LEVERAGING DATA

How often do you use data to evaluate your current financial picture?



**Monthly**



**Quarterly**



**Semi-Annually**



**Annually**



**Rarely**



## Redefine the Client Experience

**Customer experience** is a key factor in determining which companies will generate value and weather this crisis.

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**Expand your digital presence.** Digital will continue to be the primary channel for 2020 — focus on these capabilities to meet the needs of all of your customers.

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**Stay agile.** Move quickly, test new methods or delivery mechanisms to communicate with your target audience and diversify your communication.

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**Ask for feedback.** Take a listening stance with your customers to measure their experiences and they will provide you the best feedback.

## TAKE ACTION

Keep these thoughts in mind when creating a positive experience for your customers:

### How to get started



#### Today

- Listen to your customers to understand their needs.
- Review your data to reveal any retention issues; uncover gaps with your current approach.
- Understand your ideal customer and plan accordingly.



#### Tomorrow

- Build a complete picture of what the customer interactions should look like across all touchpoints.
- Begin planning for and investing in gaps revealed in your customer experience. This can include technology, process and service, to name a few.
- Personalize for their unique interests and meet the demands this person expects from you.

# You Can Anticipate and Prepare for a Future Financial Crisis – Key Takeaways

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**Have strong cash flow and reserves.** The most important way to do this is through a cash flow analysis.

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**Diversify your client base.** High customer concentration occurs when any single customer or industry accounts for 20% or more of your revenue.

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**Diversify your supplier base.** Just because you order something from a particular supplier doesn't mean you don't have other options — especially when those other ways may save you money, shipping and access.

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**Broaden your products/services to meet evolving demand.** It's easy for business owners to get comfortable with the products or services that have been successful for them in the past. Contracts and offerings might need to be reworked.

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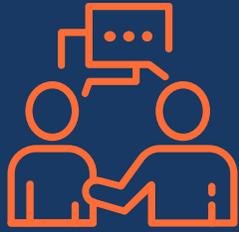
**Be able to pivot quickly.** These businesses stayed open-minded, embraced change and quickly adopted new technology.



We are seeing commonalities from businesses prepared to **weather this storm and emerge even stronger.**

Implementing these practices will help ensure your small business survives tough times and might even be able to profit from them.





## Discussion Questions

Have you captured all opportunities to **reduce expenses**?

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How are you **evolving products** to meet changes in demand?

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Are you investing in your **revenue engine** (sales and marketing)?

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What will your **workplace** look like after employees return?

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Are you **maintaining relationships** with critical stakeholders?

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In what ways are you **leveraging data** to make decisions

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Are you taking steps to **redefine your customer experience**?