THE MONTHLY CEO ADVISORY™

DECEMBER 2020 VOLUME 1, ISSUE 12

Dear Friends,

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

For many, it has been a challenging year.

Let me share a quote from Admiral James Stockdale, who was highlighted in Jim Collins best- selling book *Good to Great*. The quote referred to the Admiral's philosophy when he was held captive in a North Vietnamese POW camp:

> "You must never confuse faith that you will prevail in the end – which you can never afford to lose – with the discipline to confront the most brutal facts of your current reality – whatever they might be."

As we continue along the path of issues, concerns and uncertainty about Covid-19, even after all these months, I ask you to have and keep faith in yourself, your employees, your clients, your suppliers and business partners because we will prevail. We will get through this. But in the meantime, confront and deal with what needs to be addressed.

We also should take time to be grateful for all the blessings received during the year. It was not all gloom and doom!

Enjoy the articles that follow. The contributors to this monthly publication are the best in their respective businesses. If you need help, please reach out to them.

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

Sincerely,

Ken Keller

Ken Keller
CEO

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Business Growth Opportunities to Consider in 2020

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

WHERE TO IMPROVE PROFIT$

SALES & REVENUE

- Segregate all clients into A, B or C categories; taking in account volume, ease in dealing with including time and energy and future business potential
- To the extent possible, do a full profit and loss on each client, at a minimum to Gross Profit line on the profit and loss
- Take this analysis one step further and do a profit and loss on each product for each client
- Be crystal clear about who the ideal client is for your company and weed out prospects that do not fit the model before investing resources in the wrong relationship
- Establish a profit and loss model for prospects to be "plugged-in" going forward
- Assign an account executive to each client and establish an appropriate call cycle (monthly, bi-monthly, quarterly)
- Conduct an annual business review presentation for top clients
- Schedule price increases in advance, notifying clients of price changes and detail the rationale; put in writing and review in person or on the phone
- Set revenue goals for each client and review quarterly

GROSS PROFIT

- Dissect what is cost of goods for your company
- Assign individual ownership of each line in your cost of sales or cost of goods sold
- Set budgets monthly by line item and work to improve / reduce costs by one percent a month through negotiation with vendors or through process improvements
- Do not be afraid to ask for cost reductions or for opportunities for volume discounts
- Asking new suppliers to bid on your business is a good way to check to see if current suppliers are being fair
- Remember, what gets measured gets done

FIXED OVERHEAD

- Measure each item on the profit and loss in the overhead section of the profit and loss as a percentage of sales for the last two years
- Expect some cost increases due to inflation but beyond that, significant increases need to be reviewed to see if there are less expensive alternatives to providing the same or better quality to clients
- Many managers believe that the best answer to addressing the challenges of growth is to hire more people – avoid the temptation and pay overtime instead of adding people to the payroll – it's a lot cheaper

NET PROFIT

- Set profit goals and review monthly, taking into consideration the variance in days of the month
- Use the information from RMA (Robert Morris and Associates) to compare against the competition
- Use the measures of revenue per employee; gross profit per employee and net profit per employee to ensure that productivity remains high

CEO FOCUS

- Your attitude should be one of "If we watch the pennies, the dollars will take care of themselves" then lead by example
- Share the attitude of "If we still need it (whatever "it" is) we'll buy it next week" to avoid splurge spending
- Everything you do is visible; every word you say is heard and you are always under the microscope so choose your actions and your words very carefully
- If you want your employees to contribute to making the company more profitable, you have to teach them how the company makes money – this is not the same as the employees believing that when a check shows up from a client that all the money belongs to you

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

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BILLIONAIRES! ROCK STARS! THEY'RE JUST LIKE US!

A hundred years ago, billionaires were a big deal. Tycoons like John D. Rockefeller, worth the equivalent of two Jeff Bezoses in today's dollars, were celebrities, the overachieving substitutes for today's merely overexposed Kardashians and Tiger Kings. Today, though, CNBC reports there are at least 630 billionaires in the U.S. alone, which means if you live in California, New York, or Florida, you've probably bumped into one at the grocery store. This week's stories feature a couple of billionaires (and one mere millionaire) who don't like paying tax any more than you do.

Last year, Robert Smith, a venture capitalist worth $5 billion, grabbed headlines by taking the stage as Morehouse College's graduation speaker — and announcing he would give $10 million to eliminate off the student debt for the school's 396 graduates. He structured that gesture as a grant to the school, to qualify it as a deductible charitable gift, which meant drafting Uncle Sam into covering 37% of that cost.

Today Smith is back in the news, but for slightly different reasons. Last week, he 'fessed up to using offshore accounts to hide $200 million of income from 2000 through 2015. He's agreed to pay $139 million in back taxes and penalties. He'll also forego $182 million in charitable deductions, which could add $65 million more to the bill. Hindsight is 20/20, of course, but he clearly would have been better off just paying the original tax in the first place. And he's lucky he's not facing time in a place that makes dorm food seem pretty appetizing.

Smith isn't the only billionaire making tax headlines. Last month, the IRS indicted Robert Brockman, a Houston-based software billionaire (and investor in Robert Smith's first fund), on a 39-count all-you-can-eat buffet of financial crimes. They say he used accounts in the Bahamas and Nevis to avoid tax on $2 billion of capital gains from 2000-2018. It's the largest criminal tax prosecution the DOJ has ever brought. (So why is the 79-year-old Brockman free on a mere $1 million bond? Do they think he can't afford a bogus passport if he chooses to flee?)

Both billionaires relied on the classic tax-cheat "business plan": setting up entities like trusts, shell companies, and accounts in foreign owners' names in foreign locations. Smith admitted paying a Houston lawyer (who also worked for Brockman) over $800,000 from 2004-2018 to fake the paper trails to hide the accounts. The scheme collapsed when his Swiss bank alerted him, they were about to rat him out to the IRS to reduce their own criminal exposure. Smith tried to take advantage of a voluntary amnesty program, but the IRS said no, suggesting they already had a target on his back.

Finally, Gene Simmons — front man for the 70s band KISS — isn't a billionaire, although he's a music industry groundbreaker. (Quote: "I like being part of a rock and roll band, but I love being part of a rock and roll brand.") He's just announced that he and his wife are kissing their $22 million Benedict Canyon mansion goodbye, and moving to . . . Washington. Why? California's top tax rate, which stands at 13.3% and may be heading to 16.8%, is just too high for the famously long-tongued showman. Best of all, his trip doesn't involve the risk of prison!

In the end, of course, billionaires and rock stars aren't just like us. They're billionaires. And rock stars. They have more money and gold records. But careful planning can still give us the tax savings they so obviously want, without risking a trip to jail or even making the news.

COMMERCIAL INSURANCE

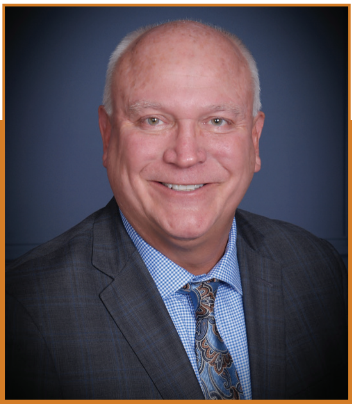
WHAT'S NEW IN CYBER UNDERWRITING?

The need to share and exchange information between co-workers, customers and vendors has never been greater. In turn, businesses have been rendered more vulnerable to Cyber-attack and data compromise than ever before.

As businesses have reinvented themselves, bad actors have also evolved. Threats from Ransomeware, voice call phishing, and social engineering schemes continue to an even greater level than before the pandemic hit in many cases.

Cyber underwriters are now asking brokers to explain the changes made to their client's cybersecurity infrastructure to safeguard data and maintain the integrity of their system remotely. They want to know how they are keeping their system running, and what they are doing to ensure business continuity in case of a systems breach.

It's important that businesses and their brokers demonstrate that new cyber and data security measures have been put in place, and that the effectiveness of the Cyber Security measures they had in place before the pandemic hit have been reaffirmed. This will serve to ensure that Cyber coverage continues to be available to them, and to keep the cost of coverage down.



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Here are some things any underwriter would love to hear from a broker:

- Heightened training has been completed to ensure that both new and existing employees are well versed in cyber risks, and that they recognize those risks are still present while they are working remotely.
- Employees have been made aware of, and adequately trained in their responsibilities to prevent a systems breach, and how to respond to one.
- Employees have been trained in managing sensitive data, and reminded that the company's code of conduct and related rules regarding accessing outside websites, use of their system by another person and using the system for personal activities still apply while they are at home.
- Solutions to protect new and tactical IT had to be rolled out under enormous time pressure at the beginning of the crisis. The company has taken the time to ensure the continued effectiveness of those security controls and modified them as needed.
- Security monitoring of both devices and users has been increased to enable the company to proactively identify and correct mistakes made by users in managing sensitive data.
- The company has re-assessed their capacity to recover from catastrophic cyber-attacks effectively, including the time needed to get the entire IT infrastructure back up and running after such an event.
- The security effectiveness of key service providers, suppliers, and sales partners have been assessed to avoid weaknesses in the supply chain that could cause major cyber and data breaches.
- The business has re-evaluated their internal controls and stored critical internal data against an in-house (employee) attack scenario to address the risk of corporate fraud, as well as prevent the loss of corporate data and intellectual property.

A creative and pro-active approach to the new age of Cyber Risk and Cyber Security will serve to help businesses and their brokers better secure data, while at the same time control their insurance costs.

HUMAN RESOURCES COMPLIANCE

AFFORDABLE CARE ACT: 2021 COMPLIANCE CHECKLIST

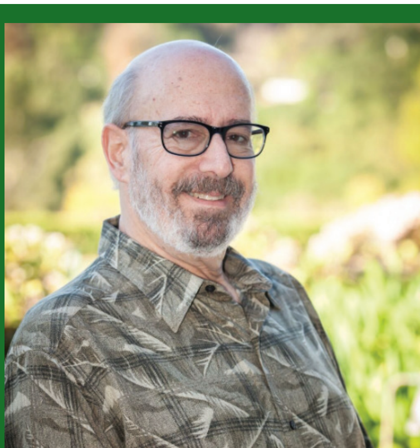
Changes to some ACA requirements take effect in 2021 for employers sponsoring group health plans. To prepare for 2021, employers should review these upcoming requirements and develop a compliance strategy.

This ACA Overview provides an ACA compliance checklist for 2021.

PLAN DESIGN CHANGES

The following plan design requirements have changed for 2021:

- Limits on cost-sharing for essential health benefits
- Coverage affordability percentages under the employer shared responsibility rules
- Health flexible spending account (FSA) salary contribution limits



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COST-SHARING LIMITS

Under the ACA, a health plan's out-of-pocket maximum for Essential Health Benefits for non-HSA plans may not exceed **$8,550** for self-only coverage and **$17,100** for family coverage, effective for plan years beginning on or after January 1, 2021.

The self-only annual limit on cost sharing applies to each individual, regardless of whether the individual is enrolled in self-only coverage or family coverage. This embeds an individual out-of-pocket maximum in family coverage so that an individual's cost sharing for essential health benefits cannot exceed the ACA's out-of-pocket maximum for self-only coverage

For taxable years beginning in 2021, the IRS announced that the health Flexible Spending Account (FSA) limit will remain at $2,750.

SUMMARY OF BENEFITS AND COVERAGE (SBC)

Employers and health insurance issuers must provide an SBC to applicants and enrollees to help them understand their coverage and make coverage decisions. Plans and issuers must provide the SBC to participants and beneficiaries who enroll or re-enroll during an open enrollment period, as well as to participants and beneficiaries who enroll other than through an open enrollment period, including individuals who are newly eligible for coverage and special enrollees.

AFFORDABILITY OF COVERAGE

Under the ACA, health coverage is considered affordable if the employee's required contribution to the plan does not exceed 9.83% of the employee's income for the 2021 taxable year.

An employer can measure affordability based on the employee's Form W-2 wages, the employee's rate of pay or the federal poverty level for a single individual, however most employers use the rate of pay of employees.

REPORTING OF COVERAGE

The ACA requires all employers with 50 or more employees to report information to the IRS and to their full-time employees regarding the employer-sponsored health coverage they offer. The IRS will use the information that they report to verify employer-sponsored coverage and administer the employer shared responsibility provisions.

For the 2020 calendar year, returns must be filed by **March 1, 2021** (since February 28 is a Sunday), or **March 31, 2021**, if filed electronically.

For the 2020 calendar year, the deadline to furnish the Form 1095-B and Form 1095-C is March 2, 2021.

HEALTH INSURANCE EXCHANGE & ANNUAL NOTICES

Employers are required to provide all new hires and employees with a written notice about the ACA's health insurance Exchanges. This notice must be provided at the time of hiring and at Open Enrollment each year. The notice may be provided by first-class mail, or may be provided electronically. All employees whether part-time, full-time, temporary or seasonal are included in the requirement. There is one form if employees are eligible for benefits and a different form if they are not eligible.

In addition, annually, employers must provide all employees the following notices.

- Annual Notices include:
- Notice of Patient Protections
- Notice of Special Enrollment Rights
- Notice of Privacy Practices
- Medicare Part D Credible Coverage

If you think you are not in compliance with any of the above requirements JorgensenHR may be able to help.

MANUFACTURING EXCELLENCE

ARE YOU READY?

For many manufacturers, the pandemic has created a sudden and unanticipated re-set. Our manufacturing operations have been structured over a period of years to support the capabilities and capacities required by our customers. As long as that customer base is reasonably stable, we have been able to keep our manufacturing capabilities and capacities in line with market demand.

However, the changes experienced during the 2020 pandemic have in many cases been anything but predictable and incremental. Many manufacturers have experienced seismic changes in the types and volumes of product being demanded by their customers. This sudden imbalance between market demand and a manufacturer's ability to meet that demand is having serious impacts on financial results and customer satisfaction.

Can building partnerships fill the gap? While it is extremely difficult to transform manufacturing infrastructures to meet such sudden and extreme shifts in demand, can these negative impacts be moderated through partnerships?

For example, if manufacturer XYZ makes equal amounts of products A, B and C, and suddenly the market has no need for products B and C, but desires only product A, the manufacturer's ability to shift production solely to product A is limited and will not meet demand.

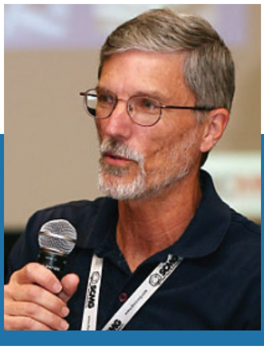
However, through partnership, can company XYZ identify industry peers with excess capacity for product A, but who do not have the access to company XYZ's customers? Are both potential partners able to move quickly enough to minimize the financial and relationship issues threatening to destroy their short and long-term business prospects? Can both partners overcome their traditional competitive instincts, mutual distrust and high levels of inertia to move forward with what on paper is the perfectly obvious thing to do?

Here is a list of key elements which often determine the success of business partnerships:

- **Exclusivity.** Is it to the benefit of both partners to establish an exclusive relationship which provides protection for both parties, opportunities for administrative and logistical efficiencies and longevity for the relationship?
- **Shared Competitors**. Will the partnership strengthen the position of all partners with regard to their current and future competition?
- **Close Proximity.** Geographic proximity can be a critical element for manufacturers to optimize logistics and face-to-face communication.
- **Prior History.** Do the partners have a shared history between key managers, staff and owners, past common ownership and involvement in industry associations?
- **Shared End Users**. Do the partners have current or past customers in common?
- **Cultural Fit.** Do our vision, values and inter-personal chemistry make for a positive long-term relationship?

An example of mutually beneficial partnering is the relationship between McDonalds and Coca-Cola. McDonalds has the market access which Coca-Cola desires. Coca-Cola has highly prized global brand recognition which will burnish McDonald's brand in the global market. From the list above, their exclusive relationship is beneficial to both, they clearly have shared competitors, there exists a prior supplier/customer relationship, and they have shared end users. Regarding cultural fit, both brands project values of fun, smiles and enjoying life. Viewing their situation from this perspective, their partnership makes a lot of sense.

The challenge for each of us as manufacturers and service providers is to re-consider our decisions to remain as an island, or to jump into the partnership arena. For most we have retained the go-it-alone approach because it is comfortable, it has worked for us, and it keeps us in control. As the world has changed, with many of those changes becoming permanent, it may be time to re-consider the benefit of partnering with our suppliers and industry peers to secure our future success.



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INFORMATION TECHNOLOGY

DATA LOSS SPIKES UNDER THE NEW WORK FROM HOME PARADIGM

Craig Pollack

FOUNDER & CEO

FPA Technology Services, Inc. – "IT The Way It's Supposed To Be!" FPA provides fixed fee, worry free IT services focused on professional services firms such as RIAs, CPAs, Business Managers, Legal, Insurance, as well as Manufacturers & Distributors and Non-Profits.

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These days, COVID-19-era data breaches are going beyond the standard CEO fraud, hacking, passwords exposed on the dark web, and other hot cybersecurity topics. Unfortunately for too many businesses, data loss — from theft or otherwise — is getting worse.

According to several studies published recently, which paint an increasingly dire picture for organizations juggling plummeting employee morale, an increasingly heterogenous mix of devices are now accessing their servers from home networks creating hard-to-manage employee data security practices.

According to one report, employees copied company data to USB drives 123% more than before the pandemic's onset, with 74% of that data marked as "classified." Data egress over email, USB, and cloud services leaped 80%, with more than 50% of that data marked as "classified." Accompanying the spike in data copying is a 62% increase in malicious activity on corporate networks and servers, with a 54% bump in incident-response investigations.

In times of economic uncertainty, employees tend to protect what they believe is theirs and attempt to take sensitive data prior to being possibly laid off. This is the type of behavior research is indicating (and in some cases has proven) to be true.

Whether or not the data loss is intentional, the fact that it is occurring at a much higher rate than prior to the WFH move suggests a massive gap between how small businesses are running their cybersecurity defenses when it comes to the additional complexity of the ever-widening remote office digital footprint.

In another report, email security company Tessian found 35% of employees take company documents and data with them when they leave a job. Nearly half are less inclined to abide by safe data practices when working from home, despite 91% of IT leaders trusting them to do so.

Data loss also becomes harder to stop when employees work from home, according to 84% of the IT leaders surveyed. In addition, 54% of employees say they find workarounds when security policies prevent them from completing tasks.

This is one of the reasons why data loss prevention (DLP) is now one of the top spending priorities for IT leaders and why email is the threat vector most IT leaders are concerned about protecting. The question is: Do security, compliance, and IT leaders have true visibility over how their employees are handling and mishandling data on email? According to their research - not yet.

SIGN OF THE TIMES

Of the COVID-19-specific challenges, one of the hardest for organizations to deal with has been the rapidly changing security landscape. There have been a lot of variables thrown into the mix very fast. There are now multiple endpoints connecting to the same network that employees are using to get their work done. It was a tough situation in the 'before' times, but in the COVID-era it's even tougher.

At the core of the coronavirus cybersecurity crisis looms the reality that most organizations hadn't prepared for an event where all employees would be working from home for an extended period of time. The pandemic has really brought the issue of cybersecurity for remote workers to the front burner. If you've moved quickly to get people working remotely but didn't necessarily secure your intellectual property, how long will it take you to get to the baseline of security you had before this all began? We're concerned that most businesses are in very dangerous territory here.

SUMMARY

Which, brings us to the all-important question - did you setup your staff to work remotely or did you secure your staff to work remotely? Two very different sides of the same coin.

If you haven't already addressed the security aspect of your staff working from home, now's the time as we're seeing the risk increase while the timeframe continues to extend.

COMPANY BENEFITS

WORKPLACE VIRTUAL HOLIDAY PARTIES & CELEBRATING THE HOLIDAYS SAFELY

At the end of the calendar year, workplace holiday celebrations are experiences that many employees look forward to. However, in response to the COVID-19 pandemic, many organizations are evaluating how to engage employees safely this holiday season. Leaders find themselves tasked with deciding whether they should cancel or postpone celebrations, or offer an amended version that prioritizes safety—with many choosing to offer a virtual holiday party.

CONSIDERATIONS FOR EMPLOYERS

Holiday celebrations can positively impact employee engagement, but benefits should be weighed against other factors such as financial costs and concerns over safety. For employers choosing to offer a celebration, an event can be comprised of a variety of activities—with many options that can take place virtually.

These include a:

- Secret Santa gift exchange
- Virtual mixer
- Gingerbread house contest
- Ugly sweater contest
- Holiday karaoke
- Online escape room
- Trivia contest

When hosting a holiday event, employers should make sure to follow best practices, such as:

- Keeping attendance optional
- Keeping events general rather than religious celebrations
- Ensuring employees are aware of policies and expected behaviors

There are a variety of ways that leaders can recognize employees this holiday season, and employers should consider which initiatives are appropriate for their workplace.

CELEBRATING HOLIDAYS SAFELY DURING THE COVID-19 PANDEMIC

'Tis the season for holiday planning. Yet, gatherings of families and friends, crowded parties and travel may put Americans at an increased risk for COVID-19. The Centers for Disease Control and Prevention (CDC) recommends that you carefully consider the spread risk of in-person holiday celebrations.

Several factors contribute to COVID-19 spreading in group settings. Those include community spread of the coronavirus, event location, event duration, quantity of attendees and the locations where attendees are coming from. It's also important to consider attendees' behavior both prior to the gathering and during the celebration.

BEFORE A GATHERING

If you choose to attend an in-person event, consider the following tips prior to the gathering:

- Check whether the host has steps in place to prevent the spread of the coronavirus.
- Bring along supplies like extra masks, tissues and alcohol-based hand sanitizer.
- Avoid contact with people outside of your household for 14 days before the gathering.

Also, it's important to stay home if you do not feel well or are at a higher risk for serious complications from COVID-19.

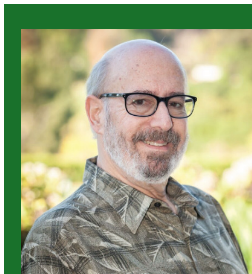
DURING A GATHERING

Consider the following tips from the CDC to reduce your risk of being exposed to, contracting or spreading COVID-19 during an in-person event:

- Maintain a distance of at least 6 feet from people you don't live with—and be mindful in areas where it may be harder to do so, such as restrooms and eating areas.
- Wear a mask at all times when around people who don't live in your household.
- Limit contact with commonly touched surfaces or shared items.
- Wash your hands often with soap and water. If soap and water are not readily available, use a hand sanitizer that contains at least 60% alcohol.

If you want to celebrate the holidays as safely as possible this year, consider celebrating virtually or with members of your own household

Source: Zywave



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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*

THREE STRATEGIES FOR IMPROVING BUSINESS DECISION MAKING

As consultants providing CFO expertise, we frequently see prospective business owner clients detrimentally affected by a common malady impacting their ability to make timely and efficacious business decisions. The source of this malady, though somewhat self-inflicted, is a dearth of timely and accurate financial information, e.g. P&Ls, balance sheets and cash flow statements. Curing this common malady, which will greatly enable your ability to build lasting enterprise value, requires adding the following three ingredients to your monthly business processes:

Diligently Close Your Accounting Books Every Month – Frequently, business owners will articulate an enigmatic feeling regarding their financial data. We hear things like "the data is inaccurate", "it doesn't make sense", and "I don't trust it." One of our first questions is "how often do you close the books and how long does the process take each month?". Typically, the root cause of their problem is a lack of diligence around closing the accounting books. Have your accounting personnel create a close task list of all actions needed to complete a monthly accounting close. Next, have them produce a schedule, including each task, along with the interdependencies between activities such that the process can be accurately and consistently be completed in 15 business days or less. Finally, make a list of monthly financial reports that include monthly trend data and have them generated, distributed, and reviewed monthly on the 16th business day of the month. This will instill the discipline needed to overcome trust and integrity issues around your financial data.

Manage Your Business on an Accrual Basis – There are two ways to view your financial reports: 1) Cash Basis; or 2) Accrual Basis. For all your management reporting, eschew cash basis financials for accrual basis. Cash basis financials, assuming you are a cash basis tax filer, are the information a CPA will need to file your taxes. That is about it for the value one can derive from cash basis financials. For your monthly management reporting, you want to be viewing accrual basis profit and loss statements as well as balance sheets. The reason why is that it most accurately reflects the matching of income to expenses. This significantly improves your ability to understand profitability fluctuations, which also enables timely decisions pertaining to course corrections on pricing, expenses, and cash flow.

Generate a Financial Plan and Analyze Monthly Plan Variances – Lastly, you need to develop a monthly financial plan for both profit and loss and balance sheet statements. Developing a monthly routine where you compare monthly results to your plan will pay significant dividends, including: 1) validating your understanding of your business model; 2) providing advance indication of potential issues that need to be addressed; 3) creating a basis that can be used to identify business tradeoffs when tactical changes are required; 4) and finally, vastly increase your confidence in your numbers along with your ability to drive financial metrics to the business' benefit.

If you need help building out your organization's financial management prowess, please contact us (Info@Profitwyse.com) today. We will show you how to transform your "mystery wrapped in an enigma" into a valuable business asset.

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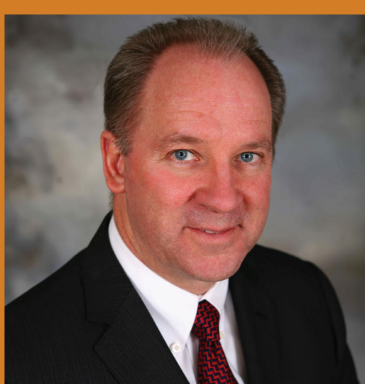

Chase Morrison

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

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TERM LOANS VS LINES OF CREDIT

Figuring out how to finance your business is just of one of the many challenges facing business owners. For example, is a term loan or a line of credit the best fit for your business? These are the two most common forms of business financing so let's take a look.

TERM LOANS

With a term loan, you borrow a set amount of money and pay it back over a pre-set period of time. Once your business is approved for the loan, you'll receive the entire lump sum at once and start making payments on a predictive schedule.

Term loans either have a fixed interest rate, where your rate remains the same over the course of the term, or a variable one, where your rate may change depending on the markets.

A term loan works great for:

- Larger investments that have a clear return on investment
- Specific business expenses
- Purchasing inventory in bulk
- Buying equipment
- Purchasing commercial real estate
- Refinancing existing debt

The best part of a term loan is that it can give you the freedom and financial security to move forward with big purchases that you need to take your business to the next level. They are also structured so you can stay on track with your payments.

We've talked about some of the term loan options available through our network. There are SBA loans on the lower risk, lower cost side and short-term cash advances on the higher risk, higher cost side. As always, it comes down to what you can qualify for and how soon you need the funds. We can help you navigate this process.

LINES OF CREDIT

A line of credit gives you access to a specific amount of money that you can use as needed on an ongoing basis.

Similar to a credit card, you don't make payments or accumulate any interest until you actually use the funds. And unlike a term loan, you can use your funds repeatedly as long as you pay them off.

A line of credit works best for:

- Short-term financial needs
- Ongoing operating expenses
- To help even out cash flow
- Payroll
- Seasonal expenses
- Unexpected costs

The money from a line of credit is designed to give you increased financial flexibility, which is why it's important not to use the funds to pay off long term investments.

FLEXIBLE LINE OF CREDIT AVAILABLE NOW

We work with a lender that offers a true revolving line of credit product up to $250,000.

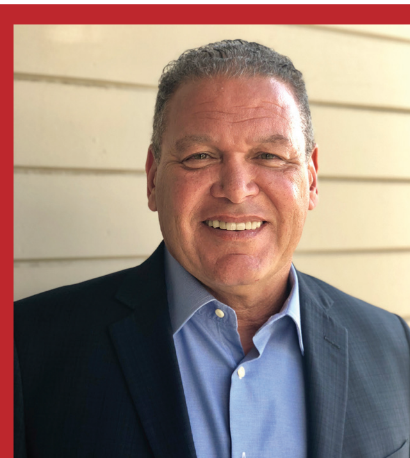
- Easy application process with decisions in less than 24 hours
- Next day funding
- No origination fee or maintenance fee
- Simple interest beginning below 1% per month
- 2+ yrs. In business, FICO 650+, 250k/yr. in sales or more

DECISIONS

Before you decide which direction to go for funding, it's important to consider your business needs. What are you going to use the funds for? While these are two very different financing solutions, both term loans and lines of credit offer flexible solutions for your business.

WE CAN DO BETTER

THOUGHTS FROM A MIDDLE-AGED WHITE MAN



Paul Mitchell
Mitchell Sales Advisors, LLC
President of Mitchell Sales Advisors, powered by SalesXceleration. A firm specializing in sales strategy, sales process and sales execution. Paul has a 25-year history of sales leadership and success in diverse industries in the Los Angeles area.
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This is an excerpt from a group I am a part of that was posted on the Diversity and Inclusion network and he was kind enough to let me share.

"Hello Everyone,

Like many of you, I've participated in some thought-provoking and challenging conversations with members and other chairs over these last months... and I'd like to share a few thoughts here.

I'm fully aware of the historical significance and the gravity of the Black Lives Matter movement. As someone who has always considered himself to be an ally, I've been struggling to **meet the moment** with something stronger than sympathy. For me, a middle-aged American white guy, that starts with internalizing **the truth of white privilege**. Some white men reject the idea, believing that it negates their hard work. The truth is that almost all of us were born on second base. We didn't have to fight through **suppressive social constructs** and stereotypes, and success is much easier with the wind at your back. I've learned that accepting that there are **systemic advantages** for some of us is crucial for being able to see the disadvantages for others.

This movement we're all experiencing has been dubbed **"the great awokening"** and it is necessary for **changing minds**. History has taught us that permanent social change is not driven by the most radical participants, but by small changes in the opinions of the majority. Real change can only happen by **moving the middle**. This is starting to occur with social networks and corporate policies shifting slightly to reflect a changing collective point of view. You've probably noticed some **discernible changes** with your friends, co-workers and relatives as well. Powerful social movements require us to all take a position, that's why they can be so uncomfortable. Remember, neutrality is a **net-negative**.

So what can middle-aged white guys, and other non-black allies, do to help this cause? I am still **listening and learning**… and I've been wrong about some very important things, but I do have a few recommendations:

1. Don't marginalize the movement by saying **all lives matter**. Not all lives have been repressed and subjugated… and if all lives matter, then **black lives matter**.

2. Don't criticize protesters, **criticize racism**. The same people who were angry about passive protests (kneeling) are now angry at the active protesters. We wouldn't even be in this **social justice conversation** if it weren't for the protesters, so they're clearly necessary for change.

3. **Take social risks.** Call out racist words and acts when you see them, and actively try to change minds. Silence is tacit approval and helps to create a safe space for racism.

I'm sure you've witnessed situations where a single courageous person has disrupted the **confirmation bias** echo chamber that exists in many social groups, social networks and work groups. **That person is powerful. That person is a force for good.**

I'm trying to be that person and ask for others here to share their learnings and what they're doing.

Wally"

Wally says "we all can make small changes" and that is what I have tried to do as well. I have launched my website www.lifeinbw.com to continue socializing this message and sharing the stories like this for all to see. Thank you, Wally, we need you.

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

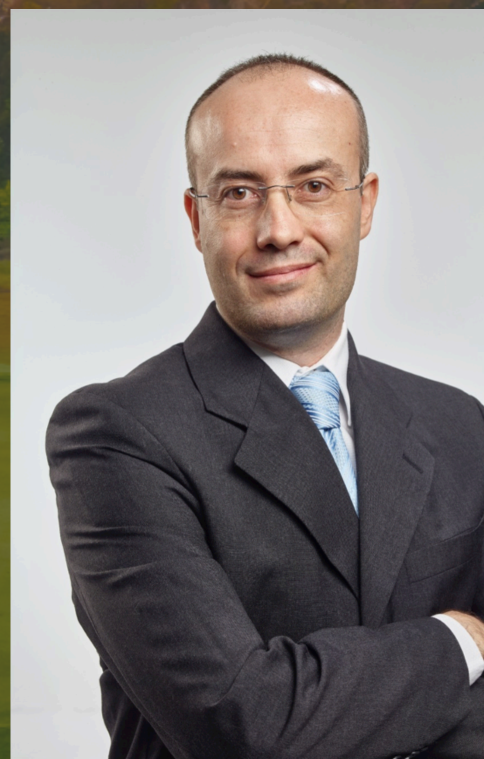
My CEO’s take themselves and their businesses to places they’ve never been to before

- 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