

The 5 C's of Managing



CASH FLOW



1

Welcome

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COO, BLACKHAWK BANCORP, INC.



2

2

What Will We Cover Today?

5C's

- Cash Reserves
- Concentrations
- Credit
- Cost Reductions
- Customers

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3

3

1. Cash Reserves

- 6 to 18 months
- Critical preparation step
- Could be the difference in surviving turbulent economy

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4

4

Cash Reserves – A/R Management



- Manage invoices and collections
- Offer terms carefully
- Match loan terms to contract terms for you major clients
- Transition “problem clients”
- Consider insurance coverage as a back-up

Cash Reserves – A/P Management



- Have credit in place with your suppliers
- Prepay some small loans off to improve future cash flow

Cash Reserves – Inventory Management



- Optimize your inventory
- Test your supply chain alternatives
- Example: buy your supplies from multiple vendors in case of shortage or change in terms

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7

Cash Reserves – Secure Bank Financing



- Seek an operating line of credit, term loan, etc.

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8

2. Concentrations

- By customer
- By industry

Concentrations – Inventory



- Understand the impact on inventory
- Identify and document potential risks
- Build a supply-chain risk-management framework
- Monitor with regular reviews

Concentrations – Diversity I



- Diversify your supplier base
- Spread concentrations as best you can

Concentrations – Diversity II



- Diversify your client base
- Diversify your marketing channels
- Do NOT stop marketing

3. Credit

- Importance of having a good handle on your core business

13

Credit – The Right Partner



- Work with a bank or lender you trust
- Your relationship should work like a true partnership
- Your banker should understand your business at the basic level, including:
 - your decision makers
 - your organizational culture
 - your financial and personal goals

14

Credit – The Customer is Always Right



- Or, are they?
- As with any relationship, there are circumstances where insurmountable impediments are possible
- Transition your “problem clients”

4. Cost Reductions

- What levers can you pull if needed?

Cost Reductions – Operations



- Understanding the core concepts of LEAN manufacturing
- Where can you streamline production
- Where can you streamline office/admin
- Where can you streamline inventory

Cost Reductions –Financials



- Monitor financial statements
- Keep an eye on profit and loss areas
- Balance sheet strategy

Cost Reductions –Invoicing



- Consider using invoice aging report
- Consider using a payables aging report
- Monitoring cash flow

Cost Reductions –Employees



- Losing talent will do more harm than good during these periods
- Make employee engagement a priority
- Communication should be frequent and be fluid up and down the organization structure
- If you think you have over-communicated - communicate again

5. Customers

- A working sales plan

21

Customers – Sales Plan



- Does everyone understand the plan
- Does everyone understand their role in it
- Is everyone receiving regular coaching
- Does the sales team have the opportunity to learn from one another

22

Customers – Sales Strategies I



- Low hanging fruit
- Make the most of current customer relationships (80/20 rule)
- Make a habit of asking for referrals
- Identify potential cross sell opportunities

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23

Customers – Sales Strategies II



- Identify all targets
- Craft specific messages for each target audience
- Focus on the benefits, not the features
- WIIFM (what is in it for them), not what you sell

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24

24

Today's Take-Aways



CASH FLOW

- 6-18 months cash reserves
- Avoid concentrations
- Lending partner you can trust
- Keep good employees and streamline processes
- Trained and confident sales team

Time for Q and A



Marketing Support



Stephanie Meier
Vice President Marketing

With over 20 years of experience in marketing & advertising, sales, PR, and employee engagement, Stephanie has successfully led teams within the financial, healthcare, dental, retail, insurance, and higher education industries. She has an understanding of both traditional advertising and the rapidly evolving digital marketing environment.

Stephanie can educate and advise your business in the following areas:

- Search Rankings, Website Speed & Analytics, Blogs, Linkage
- Local and Organic Search Engine Optimization (SEO) and Search Engine Marketing (SEM)
- Online Brand Research Report for Your Business

- “5 Most Common Mistakes Non-Marketers Make With Their Website”
- “Tips To Increase Traffic to Your Website”
- “What Questions Should Business Owners Be Asking About Their Online Metrics”

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People Management Support



Jeanine Woyner
Vice President
Human Resources

With over 20 years of experience, Jeanine has been at the forefront of Human Resource initiatives that have promoted organizational growth and has a proven success rate of decreasing staff turnover, while improving the overall employee recruitment process.

Jeanine can educate and advise your business in the following areas:

- Employee Relations
- Organizational Development
- Employee Recruitment
- Predictive Index
- Labor law Compliance
- Strategic Initiatives
- Key Employee Retention

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Financial Education Support



Francisca Reyna
Vice President Business
Development & Education

With over 20 years of experience, Francisca can provide financial education seminars for your employees. Financial education can be a significant benefit for your employees, and is also a greater benefit to the employers because financial stress can impact your workforce in negative ways by reducing worker productivity and increasing absenteeism .

Francisca can educate and advise your business leaders and employees in the following areas:
Understanding the Impact of Financial Decisions

Developing Great Credit
Identity Theft Protection

Home Buying Guidance

Retirement and Estate Planning

How To Budget

Personal Financial Planning

Savings for College

Understanding Health Savings Accounts

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29

29

Thank you

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30

30