

# Conducting Business in Uncertain Times

7 TRENDS TO HELP PRIVATELY HELD BUSINESSES  
MAXIMIZE CASH AND CAPITAL

THINKTANK

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# Introduction

**Throughout the global pandemic, Enterprise Bank & Trust surveyed over 600 owners of privately held businesses about how the business world is changing. Here's an inside look at what they told us.**

The business environment has never been more uncertain or more complex. Facing broken supply chains, continued difficulty finding and keeping talent, heightened customer demands and competitive threats, owners of privately held businesses are facing unprecedented chaos.

This upheaval has created a fervent interest in the power of cash and capital. Interest is now forcing a surge of attention toward financial management. Leaders are thinking differently about raising capital for long-term growth and cash on hand for short-term viability.

The concept that cash is the lifeblood supporting day-to-day business and capital is what grows it is not new. So why do so many businesses find themselves with liquidity problems and cash management issues? And why are so many CFOs and business leaders rapidly changing their focus in the situation we face today? The changing market dynamics certainly complicate any financial strategy; however, equipping your company with information around current and future liquidity will improve your ability to weather future storms.

To guide you on this journey toward uncovering solutions that are sustainable and scalable, we spoke with over 600 business leaders in the community. One thing is clear: cash and capital will continue to have an outsized impact on the success of your business. Let's explore the trends shared, along with insights on how cash and capital decisions are influencing each one.

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*This report summarizes key findings from our Think Tank survey, which began in February 2020 and continued through the summer. Questions were posed to over 600 business leaders in small and midsize businesses in the metropolitan St. Louis, Kansas City, Phoenix and Northern New Mexico areas. All respondents represent privately held businesses.*



#1

# Expense Reduction

**More than 75%** of those working at the best-run midsize businesses consider **expense and spend management** a priority.<sup>1</sup>



“We’re looking closely at every expense and redeploying dollars for more efficient spend moving forward.”

— **STEVE LEIDHOLDT**  
President and CEO  
STL Communications

**B**usiness leaders are turning their attention back to cost management fundamentals. Whether you run a big company or a small business, expenses are something a business owner is always looking to minimize. Cutting expenses may sound simple, but according to our survey, it can have a huge impact on financial performance. While cutting expenses may not be easy, it requires creativity and trying out new things you may have never considered. And, if you can reduce your costs and either maintain or improve quality, it becomes a win-win situation.

Business owners we spoke with are making expense reduction a key exercise moving forward in our new business reality. This involves more than spending time every month analyzing the balance sheet for trends. Business owner Steve Leidholdt, President and CEO of STL Communications, explained how their cash flow is directly improved by their emphasis on expense reduction.

“We’re looking closely at every expense and redeploying dollars for more efficient spend moving forward,” he said. “We’re thinking differently and being more prudent with spend. That’s not just cutting costs — it’s targeting costs with the best return and asking ourselves what we *really* need to run the business and grow. This starts with strategy.”



#1

## EXPENSE REDUCTION

# Case Study

David Singer, President and Owner  
Warehouse of Fixtures

### CHALLENGE

As the pandemic unfolded, Singer knew his used office furniture company would be impacted in a negative way. The first thing he did was call his banker. There wasn't a lot of availability on his line of credit, but "Enterprise knew me and my company," he said. "They were able to open up the credit line, which was the first step in helping me stabilize my company."

### SOLUTION

After getting a line of credit extension, Singer made expense reduction the next priority. Along with his leaders, he began strategic cost reduction and focused on what was a "good cost" as opposed to nonessential ones or "bad costs." Expenses such as travel, office supplies, thermostat (not needed in an empty office) and gas reimbursements were easy targets. "We continue to go through every line item, and we're careful to avoid cutting strategic expenses that help us grow and instead focus on inefficient or valueless activities." Singer explained that because he has strong relationships with his vendors, he was also able to focus there and work with them on better terms for agreements. This allowed him to tighten his terms and increase the deposit requirement to get 90% of payment ahead of delivery.

### OUTCOME

Through this exercise, Singer reduced expenses by 20%. He was also able to minimize layoffs and avoid compromising on the positive employee and client experience the company works hard to create. "These are good expenses that you don't want to cut," he said. Although prompted by the pandemic, it is a best practice in financial management that he said he plans to keep long term.



#1

## EXPENSE REDUCTION

# Taking Action

In the post-pandemic world, expense reduction is a differentiator that can produce long-term value within your business. Align cost-cutting with your growth strategy to determine where to make changes, and areas to avoid. Questions to consider for identifying value from expense reduction efforts include:

- ☑ 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

- Good expenses vs. bad expenses are established.
- Quick savings wins are used to free up cash.
- Expense reductions are made out of necessity.

### TOMORROW

- Expense reduction aligns with business objectives.
- Cost-cutting starts with the business strategy.
- Expense reduction is part of company culture.



#2

# Product Innovation

**A whopping 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.<sup>2</sup>**

The pandemic has changed the way people purchase products and caused notable shifts in demand. The full impact is still unfolding, but one thing is certain: where some business leaders see challenges, others see opportunities. Organizations and workers in all industries are reinventing how they provide access to customers, price products and communicate value.



The current environment offers unprecedented opportunities for smaller companies that are able to move quickly and be adaptive with their solutions. One example of imagination used to sustain post-crisis revenues

is the Event in a Box, launched by St. Louis-based marketing firm Notion. The product is a customized solution that provides an alternative to existing conferences or events in which a turnkey kit is shipped directly to event registrants.

“Before the crisis, a third of our revenue came from work related to on-site events,” said Louis Kokenis, Partner and Executive Creative Director at Notion. “When the pandemic hit, those events came to a screeching halt. This Event in a Box concept was born out of the challenges our clients were facing. Our clients had events planned and needed an alternative. This concept brings the on-site experience to the attendee, right to their doorstep.”



**“ Before the crisis, a third of our revenue came from work related to on-site events.”**

— **LOUIS KOKENIS**  
Partner and Executive Creative Director  
Notion



#2



## PRODUCT INNOVATION

# Case Study

Steve Leidholdt, President and CEO  
STL Communications

### CHALLENGE

For STL Communications, a telecommunications company specializing in voice, networking, storage and managed service/cloud services, demand has increased throughout the pandemic. Like so many businesses, keeping up with demand, delivering and staying focused on new opportunities to keep the pipeline strong can prove challenging. In fact, Leidholdt said many of the company's new business opportunities came from trade shows.

### SOLUTION

Leidholdt worked to ensure that the event dollars were redeployed and invested in other new business strategies. "To replace the event revenue, we're leaning into technology, the very thing we specialize in," said Leidholdt. "Normally, our buyers travel to multiple vendors and sit through several demonstrations in order to get a clear idea of how technologies perform. We developed a STL Mobile Learning Center that can travel to our customers so they can experience products and learn how they are used to create clear communication."



### OUTCOME

Leidholdt said that providing customers with a controlled environment that travels to clients has been well-received. This is one of the many ways he and his team are creating opportunities in this new environment. They are also developing new offerings including fractional CIO capabilities. "We need to know that our investments will bring revenue after this crisis. Having a strong bank that knows you, by your side, is more important now than ever to help maximize investments, long term," he said.





#2



## PRODUCT INNOVATION

# Taking Action

Making the best use of your finances should be a key element in assessing new business/product opportunities in uncertain times. Everyone is in the same boat and looking to replace lost opportunities. With limited resources, you may need to pass up promising opportunities if pursuing them would mean using essential funding. Alternatively, if you have the resources, competing may be less expensive during a downturn. Every element of working capital should be considered. Use this checklist to evaluate opportunities:

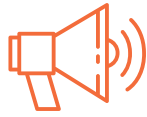
- ☑ Identify key drivers of your company's growth to understand where to prioritize.
- ☑ Innovation can come from new services and making existing ones more efficient. Consider whether you have the right systems for growing your business.
- ☑ Know what your customers feel and do, and why. Set up voice of the customer programs to listen for references to shifts you can get in front of.
- ☑ Consider revamping your product messaging and positioning. Crafting the right message that highlights the most valuable features of your product during this economic environment can be all the change required to generate more revenue.
- ☑ Consider altering your pricing strategy using subscription, bundling/unbundling and results-based pricing, to name a few.

### TODAY

- Focus on your core areas of strength.
- Evaluate your competition's pricing.
- Know your customers better than ever.

### TOMORROW

- Selectively invest to enhance products and market share.
- Evaluate your pricing and ensure you have the right strategy.
- Focus on value over price — deliver products your customers value.



## #3

# Marketing Is *Essential*

Harvard Business School studied 4,700 companies that went through a recession and found that **“firms that cut costs faster and deeper than rivals ... have the lowest probability — 21% — of pulling ahead of the competition when times get better.”**<sup>3</sup>

In challenging times, marketing may be the last thing on a business owner’s mind, especially since proven marketing tools — events, trade shows and sponsorships — are on hold for now. However, what some business owners overlook is a crisis of this magnitude creates business opportunities. Now is the time to focus on activities that capture revenue, build your brand and expand relationships with existing customers.

We’re seeing companies become more agile and increase marketing investments by finding more strategic, creative ways to engage audiences. They are *spending smarter*. Nancy McCullough, Founder and CEO of e2E, a Kansas City-based business management solutions firm, reaffirms this approach for her company and believes that marketing should not be considered discretionary spend.

“Before COVID-19 hit, business development consisted of a lot of networking,” said McCullough. “Now we’re spending time on content marketing, and planning ahead with new solutions. We aren’t standing still for a minute.” McCullough shared three key learnings that reaffirm her belief in ramping up marketing spend and directing future spend:

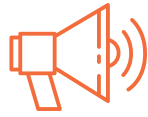
1. Long-term client relationships are more critical now than ever.
2. Flexibility is critical with clients.
3. Client communication is critical and more important than ever.

“Our marketing approach is to place more focus on current clients now as opposed to acquiring new clients.”



“**Before COVID-19 hit, business development consisted of a lot of networking.**”

— **NANCY McCULLOUGH**  
Founder and CEO  
e2E



## #3

# MARKETING IS *ESSENTIAL*

## Case Study

Paul Hamilton, President and Owner  
Hamilton Hospitality

### CHALLENGE

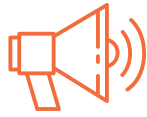
The restaurant and hospitality industries have unquestionably been hit hard by the pandemic. For many restaurateurs, the future remains unknown, and reopening is posing even more challenges. Paul Hamilton, owner of St. Louis-based Hamilton Hospitality, a portfolio of restaurants and catering venues, knew he needed to move fast when COVID-19 hit the U.S. “We started preparing immediately to shut down. I contacted my banker at Enterprise and started the process of freeing up cash as quickly as possible. It was clear to me very early on that the restaurant industry would be decimated,” he said.

### SOLUTION

During the closure, Hamilton took the opportunity to redesign his restaurants with new layouts for distancing, created new menus and designed new procedures. He reevaluated price points for his fine dining establishments, deep cleaned and refurbished all his locations and extensively planned for the promotion of health and safety protocols. Hamilton also ramped up marketing using email and social media to promote his efforts, including a series of special events for guest dining and banquet space enhancements.

### OUTCOME

Hamilton found himself in a different position than most restaurant owners due to careful planning, extensive experience, long-term savings and a laser focus on marketing throughout good times and difficult ones. A masterful storyteller, Hamilton increased his focus on public relations, resulting in feature stories highlighting his safe dining experience and successful management by many media outlets. Hamilton’s employees are back at work and received pay increases, and the company is in a good cash position.



## #3

# MARKETING IS *ESSENTIAL* Taking Action

Reducing marketing expenses does not have to mean reducing marketing. What privately held companies do to capture revenue today will be the foundation for future growth. Staying on top of the latest trends and understanding new customer behaviors are key in driving successful marketing strategies moving forward. There are so many ways to communicate with customers as well as many tools to make that communication faster and smoother. In fact, many technology providers are offering their products for free right now. If the resources cannot be found to increase marketing spend, consider these opportunities you have for lower-cost marketing tactics:

- ✓ Automate email and outreach using technology solutions.
- ✓ Collect customer data in a free customer relationship management (CRM) system. Check out HubSpot's free CRM.
- ✓ Ensure your culture remains strong! Provide creative and engaging ways for your employees to build relationships in a hybrid work setting. St. Louis-based workplace culture platform [Bonfyre](#) is offering its app free for the first six months.
- ✓ Seek client and employee feedback using SurveyMonkey and other free surveying services. Track and measure responses over time for comparative data.
- ✓ Social media is a powerful and cost-effective way to build your following across multiple different sites.
- ✓ Host virtual small-group meetings to replace in-person events with customers and prospects. Both Zoom and Skype have a free service for groups, and this includes recording, screen share and chat capabilities.
- ✓ Work on grassroots marketing campaigns which cost very little. Ask customers for testimonials and referrals.
- ✓ Attend free online business courses such as [Enterprise University](#) for more ideas on how to continue sales and marketing efforts on a budget.

## 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 PR and social.
- Double down on brand campaigns; share stories of goodwill and show your humanity.
- Ramp up digital delivery of marketing.



## #4

# Hybrid Working Model

According to the U.S. Census, about 5% of American workers primarily worked from home in 2017. The Bureau of Labor Statistics noted that in 2018, 29% of workers had the option and ability to work at home. Today, **Gallup estimates that 53% of U.S. employees are working remotely.**<sup>4</sup>



“Many on our staff have childcare challenges, and for now, being adaptable is working for us.”

— **LISA O'BRIEN ENGER**  
Chief Operating Officer  
U.S. Farmers & Ranchers Alliance

**M**any companies are considering extending work-from-home practices even after COVID-19 restrictions are lifted. Does this mean the modern office is now a thing of the past? Wherever you fall in this debate, one thing is certain: while offices might get smaller, owners of privately held businesses are telling us their offices are not going away.

Lisa O'Brien Enger, Chief Operating Officer at the U.S. Farmers & Ranchers Alliance, shares that her organization has embraced working remotely and providing flexibility for employees. “Many on our staff have childcare challenges, and for now, being adaptable is working for us. Our lease is up soon, and the timing couldn't be better. We're considering all options moving forward for our space needs, including staggering shifts, providing flexible work arrangements and having some work from home permanently. The design of our workspace will change drastically,” Enger said.

Andrew Morgans, owner of Kansas City-based Marknology LLC, a full-service e-commerce company, is well-positioned for work from home. However, Morgans said, “Being a family business, our employees really miss the workplace environment. Being together in an office is really not replaceable.”



## #4

Employees at marketing firm Notion have had a similar experience to the U.S. Farmers & Ranchers Alliance. “Our work is very conducive to work from home,” Kokenis explained. “We have a lot of young employees who live alone, so we’re doing a lot to make sure everyone is feeling connected and engaged.” For Notion, this means virtual happy hours, virtual yoga and delivering chips and salsa to employees for Cinco de Mayo, and deliberately working to protect the culture of the company. “Mental health is a big issue with social distancing, so we’re focused on the physical and mental well-being of our employees.”

### PROS FOR EMPLOYERS

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

### CONS FOR EMPLOYERS

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

**Sixty percent of those working from home would prefer to continue doing so after stay-at-home orders lift.<sup>5</sup>**

**Americans who work from home put in an extra three hours per day on average.<sup>6</sup>**



## #4

### HYBRID WORKING MODEL

## Case Study

Bret Oettmeier, President and CEO  
Cobalt Ventures

### CHALLENGE

For Bret Oettmeier and his team at Kansas City-based Cobalt Ventures, a private equity firm with a focus in health care, the work-from-home mandate represents a new normal. “The challenge in health care and our space is there are a lot of intermediaries. Fortunately, we invested in transformational technology with our portfolio companies that helped prepare us — and them — for a black swan crisis like this one,” Oettmeier said. “Our real challenge is the lack of trade shows and events where we often find new investment opportunities. That is a big source of leads for us.”

### SOLUTION

Looking forward, Cobalt Ventures plans to reduce leases and their brick-and-mortar footprint. “People have freedom and flexibility,” said Oettmeier. “No one wants to go back to working in an office every day.” Oettmeier described the new normal as being a paradigm shift needed in health care. Some health care organizations were still sending faxes and now doctors have the technology and support from the system to see patients where they are — they have more options for a hybrid. Oettmeier believes this will drive even more robotic process automation and, ultimately, remove cost and waste from the health care system. Health care companies are free to run leaner, with fewer restrictions on where and how they see patients.

### OUTCOME

According to Oettmeier, the new workplace “is all about having options.” The future has never been brighter for them. To combat the lack of events, Oettmeier and his team are focused on strategic partnerships and taking advantage of the virtual events that are replacing live ones. “We are seeing many events become hybrid, and there’s going to be a way for people to participate virtually, so we’ll be prepared,” he said. With a heavy commitment to SaaS health care companies, upgrades to communications and technology and building data and analysis systems, they are prepared and positioned to run lean and remote and to offer the flexible options people want.



## #4

# HYBRID WORKING MODEL

## Taking Action

There are a myriad of factors for business owners to consider, including geography, business and the workforce, before determining the future new normal of your workplace. For a comprehensive checklist on how to communicate your return-to-work process and gain support, reference [this report<sup>7</sup>](#) produced by the FleishmanHillard Talent and Transformation Team.

Not every company is going to stick with a completely work-from-home model as the worst of the crisis subsides. To get the best of all worlds, you should:

- ☑ Carefully consider ways to capture the benefits — whatever they are — found from new workflows during this time.
- ☑ 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.
- ☑ Pay attention to *how you communicate*. This part can go terribly wrong, so be sure you get it right.
- ☑ 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. Your approach will have a big impact on employee engagement — and your reputation.

### TODAY

- Upgrade technology for remote workers.
- Ask employees for feedback and engage.
- Enlist health care and industry experts.

### TOMORROW

- Communicate your plan and policy with clarity.
- Expect resistance and be ready for exception requests.
- Equip leaders with tools they need to communicate changes.





#5

# Relationships Matter More Than Ever

Repeat customers spend 67% more than new customers, showing that retention is key to sustaining business.<sup>8</sup>



**“When a crisis happens, it’s too late to form a relationship.”**

— ED HONESTY

President and Chief Operating Officer  
Best Harvest Bakeries

Today, more than ever, your current relationships are the most valuable source of revenue. Regardless of your unique situation, this is the time to double down on your strategic relationships and focus on your ecosystem of key relationships with mentors, clients, board members and advisors like your banker, attorney and accountant. Your colleagues are your competitive advantage.

Ed Honesty, President and Chief Operating Officer of Best Harvest Bakeries, continually stresses the importance of having a good relationship with your banker because of unforeseen situations like COVID-19 that impact business owners. “When a crisis happens, it’s too late to form a relationship,” he said. Honesty’s banker at Enterprise and his accountant have taken many years to understand his business, their forecasting projections and expenses. Most recently, the Kansas City-based company entered deals with new, prestigious national brands. “Having relationships in place with a team of advisors made these deals possible. They helped to ensure I could cover a rise in expenses due to health and safety costs and increase my line of credit for operational efficiencies,” Honesty said.

It is equally important to have a transparent relationship with all the business partners in your ecosystem, including suppliers, vendors and clients. Continuous engagement with your supply chain is vital, especially when in-person meetings are not possible. Whatever your situation is moving forward, talk it out with your key partners.



## #5

# RELATIONSHIPS MATTER

## Case Study

Beverly Cruz, Vice President of Operations  
Albuquerque Economic Development (AED)

### CHALLENGE

AED is a private, nonprofit organization whose mission is to recruit new employers and industries and help local companies grow to generate quality job opportunities in the Albuquerque metro area. Delivering programs, tours and meeting visitors are the staples of AED’s ability to carry out their mission. For any nonprofit, especially relying on membership, these are uncertain times. Some of AED’s members are thriving, and some are struggling. Delivering programs, staying connected and continuing to provide a positive experience all remain vital and are not slowing down with the crisis.

### SOLUTION

No one knows what the second half of the year holds. For Cruz, this means making projections and scenario planning. “Preparing our finances is a daily activity for us. Everything has gone virtual, and interpersonal relationships and connections continue to be huge for us because of these technological capabilities. We use Zoom, YouTube and Livestream. Anything we can do to meet with prospective investors, members and visitors, we’ll do it,” she said. As Cruz and AED employees work hard to create opportunities, cash flow is still top of mind. “I live and breathe cash flow. We are more intimately engaged with our strategic partners like Enterprise than ever before. Together, we’re considering many different financial vehicles that can help us achieve the goals of the organization even if things get tight. We’ll be ready.”

### OUTCOME

There is still a tremendous opportunity and interest from companies looking at Albuquerque as a place to call home. Visitors to the city can take a virtual tour, and technology is enabling even more conversations than before the pandemic. According to Cruz, “Everything still goes back to relationships. We can still show you a space available for occupancy; it’s just a different experience.” For organizations like AED, embracing technology is providing an ability to connect and maintain value. “Business technology is here to stay, but we’ll never lose the people connection. We’ll always go back to that,” Cruz said.



**“ Business technology is here to stay, but we’ll never lose the people connection. We’ll always go back to that.”**

— **BEVERLY CRUZ**  
Vice President of Operations  
Albuquerque Economic Development  
(AED)



## #5

# RELATIONSHIPS MATTER

## Taking Action

The COVID-19 crisis should give you a fresh look and appreciation for all of your business relationships and the experiences you provide. Open two-way communication helps you build a level of trust that is critical for maintaining relationships. Make the effort to understand how your clients' and stakeholders' priorities have changed and what matters most to them. Use this opportunity to recalibrate these relationships. While it can be challenging to build relationships virtually, here are some tips from other business owners on how to build relationships remotely:

- ☑ Take the first step. Set a goal to schedule at least one meeting with a contact or follow up with one client every day using phone, email or even a handwritten letter.
- ☑ 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. Comment and mention them on posts.
- ☑ Look for ways to continue building your credibility. Continue to reach out and follow up on a regular basis with new relationships and existing ones. Follow through on your commitments. Share articles, best practices or something of interest to that person.
- ☑ Continue adding value for others by being resourceful. Make introductions and discuss challenges and possible solutions by asking, "Would it be helpful if ..." questions.

### TODAY

- Over-communicate with your customers, vendors and suppliers in all times, good and bad.
- Establish a rhythm of updates, engagement, targeted information and individual outreach.
- Discuss your financial situation with your team of strategic advisors — banker, attorney and accountant.

### TOMORROW

- Periodic supplier/vendor reviews help you avoid complacency in your contracts.
- You can build trust resulting in better terms, more options and better deals by cultivating relationships.
- Consider updating your communication frequency and approach based on your evolving financial goals.



#6

# Leveraging Data

**T**he value of data insights is worthwhile, considering what it tells you about the health of your business, especially in uncertain times. If your company is not collecting data and analyzing it, now is a great time to start. More likely than not, you already have more than enough information to analyze without realizing it. You can source data from many places, including year-over-year information about sales, customers, budgets and staffing, just to name a few.

Without tools to analyze and understand the flow of cash, many small-business owners are left struggling to understand their financial picture, especially in times of crisis. Nadir Djavaherian, owner of Missouri-based Auto Plaza Group, believes understanding sales and payments are critical for his business. When the crisis hit, he had a plan immediately to preserve cash, and understanding data made that possible. “As an owner of car dealerships, our net profit margin is slim,” said Djavaherian. “Cash is everything in our industry, and we use several tools to make sure our cash is always turning in predictable ways like centralized payroll, e-contracting and indirect lending, to name a few. All of these tools help us to collect quickly and stay laser-focused on serving our customers so we can remain profitable.”

Rob Wolfman, Managing Partner at Montage Partners, a private equity firm based in Scottsdale, Arizona, is seeing the companies his firm is invested in utilize data now more than ever to make decisions, improve outcomes and prepare for post-pandemic realities. Montage Partners’ partner companies rely heavily on ERP, CRM and other data-driven technologies to ensure they provide the highest quality and fastest delivery to their clients. Prior to COVID-19, those companies made significant technology investments, and they are now reaping the benefits. “Our management partners are increasing transparency with regard to their operations, and they want their employees, customers, suppliers and others to know the results of the technology investments that are being made,” Wolfman explained. “This focus on communication and transparency is a critical part of their strategies and helps facilitate confidence among all contingents. Business intelligence and data analytics trends will only increase in importance in the future.”

**Nearly 51% of small-business owners believe that data analysis is important, but only 45% of them perform data analyses, according to a report by the Service Corps of Retired Executives (SCORE).<sup>9</sup> Those that use data analytics tools enjoy 15% more sales than companies that don't.**



**“Business intelligence and data analytics trends will only increase in importance in the future.”**

**— ROB WOLFMAN**  
Managing Partner  
Montage Partners



#6

## LEVERAGING DATA

# Case Study

Garry Hollingsworth, President and CEO  
AccuPay HCM™

### CHALLENGE

AccuPay HCM is a comprehensive workforce management (payroll) solution used to improve productivity and efficiency for small businesses. The tool is web- and cloud-based and accessible through computers and cellphones. The services are unrestricted and designed for remote access. Many of their clients are closed temporarily and slowly starting to reopen, and their challenge is working out ways to do business with so many clients closed. “There is a lot of fear in the unknown when you don’t have information,” said Garry Hollingsworth, President and CEO.

### SOLUTION

The AccuPay platform enables tremendous amounts of data analysis. “The first thing we did is reach out to all of our clients. We can see what they did with us last year and what their accounts look like now, and we’re monitoring activity on a client-by-client basis to ensure we are more attentive to those who are experiencing changes. We’re surveying clients as we call to see if we can help them with money-saving opportunities that are built into our software,” he said.

### OUTCOME

AccuPay is able to know ahead of time what cash flow issues they may have through proactive outreach and analysis with clients during challenging times. This ability to monitor remotely and see ways to save the client money provides additional value. Everyone at AccuPay can work from home, and the team even has telemarketers and a needs analyst team who can make calls remotely. Data has provided Hollingsworth with a win-win scenario for his team and the AccuPay clients who benefit from their technology.



#6

## LEVERAGING DATA Taking Action

There is so much data available today that it can be overwhelming for a small-business owner. Here are some suggestions to help you get started:

- ✓ Use past company data to create cash flow simulations.
- ✓ Use scenario modeling to understand and ensure positive cash flow.
- ✓ Look at your client base and cluster/segment them for targeted servicing and outreach.
- ✓ Collect data on the product or service features that are proving most relevant right now.
- ✓ Select and prioritize business scenarios and the data needed to monitor areas of the supply chain, production, financial, HR, IT.
- ✓ Track trends to predict movement in the data over time. You can track trends day by day, week by week, monthly or quarterly — whatever period works best for your business.
- ✓ Keep track of financials. Income, expenses and total sales are all contributors to profitability. Cash flow and aging accounts are also critical and good places to start for positive outcomes.
- ✓ Make your data accessible to other key stakeholders for discussion.

### 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.
- Expand usage of data tools and training for more adoption across the company; develop a data-first mentality.
- Communicate the outcomes of data analysis across your organization on an ongoing basis.





# Redefining the Client Experience

**R**egardless of your industry or target audience, what your customers care about most right now is changing. People are struggling to navigate the many friction points of the “new normal.” The post-pandemic period is a time to rethink your approach to customer experience, with speed as the key to success.

Many small-business owners, by the nature of their business, are well-positioned to meet the changing needs of customers. Andrew Morgans of Marknology believes the firm is in a good spot to help companies grow and leverage online capabilities. Morgans said he is “looking to innovate warehousing and logistics to improve our customer experience and go-to markets for our different customers. There’s no better time to be in e-commerce and to redefine the customer experience. We are a business that helps businesses grow, now more than ever.”

Others like Brandon Maxwell, CEO at Phoenix-based catering and food services company M. Culinary Concepts, saw business go from 100 mph to zero in an instant. Health and safety are completely changing the way that M. Culinary and other companies offering food services go to market. “Health and safety are imperative for consumer confidence and for us to get new contracts moving forward,” he said. To do that, the company will require health screenings before entering an event. Maxwell shared they are also working to create a better experience for clients during this downtime, such as launching an app for ordering customer packages developed for different experiences. They are offering a graduation-to-go package and custom gift boxes for Mother’s Day and Father’s Day, among other options.

**Customer experience is a key factor in determining which companies will generate value and weather this crisis.<sup>10</sup>**



**“Health and safety are imperative for consumer confidence and for us to get new contracts moving forward.”**

— **BRANDON MAXWELL**  
CEO  
M. Culinary Concepts



#7

## REDEFINING THE CLIENT EXPERIENCE

# Case Study

Mark McClanahan, President  
Mosby Building Arts

### CHALLENGE

Mosby Building Arts, a full-service residential remodeling company based in St. Louis, saw their volume cut in half when the pandemic hit. As an essential business, the company was able to keep working and immediately started reaching out to clients. McClanahan shared that employees worked from home and were able to let all clients know that they were operating. “This immediate response has proven to be imperative in providing a positive experience for those customers in the queue and for people inquiring about new jobs,” he said.

### SOLUTION

The company began their customer response by pivoting their marketing and changing their messaging. “We wanted to respond to the circumstances and have the right tone. Our messaging now reflects that,” McClanahan said. He added that the company puts a tremendous amount of focus on the sales and marketing strategy. “Sales and marketing are not discretionary spend for us. We’ve been talking about doing virtual sales for a long time, and now we’re working on a way for customers to meet with us and take virtual tours online. We’ve implemented a virtual process for this. Customers tell us they like this new paradigm — people don’t want you to come into their house. The customers who prefer us to not meet in person during this pandemic have embraced this, though I’m pleasantly surprised that the vast majority of the homeowners have welcomed us to meet in person.” Mosby Building Arts has also worked to understand their ideal customer and associated demographics. “This makes creating a positive experience seamless as we understand our audience.”

### OUTCOME

Listening and reaching customers quickly is paying off. These best practices did not start with the crisis. They have “always been part of how we do business,” McClanahan said. He meets with industry peer groups on a regular basis to ensure he stays plugged in, and he is relentless about forecasting sales and cash flow. These metrics, coupled with a focus on the voice of the customer, have allowed the company to see very little negative impact resulting from the crisis.



“This immediate response has proven to be imperative in providing a positive experience for those customers in the queue and for people inquiring about new jobs.”

— MARK McCLANAHAN  
President  
Mosby Building Arts





## REDEFINING THE CLIENT EXPERIENCE

# Taking Action

No one knows how long the crisis will continue impacting business, but it is likely that a return to previous behaviors will be slow or forever changed. Digital will continue to be the primary channel for 2020, and it is key to build out digital capabilities to meet the needs of all of your customers. Other ways to create a positive experience for your customers include the following:

- ☑ Expand your digital presence.
- ☑ Stay agile. Things are changing quickly, so save time and money. Move quickly.
- ☑ Focus on empathy, care and concern.
- ☑ Test new methods to engage with customers.
- ☑ Diversify delivery mechanisms. Use different communication methods that are diverse to provide different options for customers to engage in.
- ☑ Take a listening stance with customers.
- ☑ Begin planning today for investments that are needed for technology enhancements or upgrades.
- ☑ Measure your clients' experiences and ask for feedback.

### 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.

# Checklist

## DIVE DEEPER INTO YOUR FINANCIAL STRATEGY TO MAXIMIZE VALUE

This checklist of trends can help you identify gaps in your financial practices and capabilities and help you discover opportunities for managing cash and capital in the post-pandemic world.



#1

### Expense Reduction

Have you captured all opportunities to reduce expenses?

- Focus on quick wins
- Identify necessary activities and cut further
- Cut any nonessential capabilities
- Identify what can continue when the economy improves
- Take steps to build expense reduction culture



#2

### Product Innovation

How are you evolving products to meet changes in demand?

- Identify where to prioritize
- List opportunities for efficiencies or new services
- Understand the needs of customers
- Consider your message
- Update your pricing



#3

### Marketing

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

- Utilize free or low-cost marketing services
- Collect customer data
- Strengthen your social media presence
- Test and learn new methods
- Host virtual meetings to replace live events



#4

## Working Model

What will your workplace look like after employees return?

- Evaluate your current policy
- Consult experts
- Ask employees what they want
- Clearly communicate new policies
- Put health and safety first



#5

## Relationships

Are you maintaining relationships with critical stakeholders?

- Meet regularly with your team of advisors
- Plan to meet with other stakeholders on an ongoing basis
- Have a plan for adding value
- Look for ways to add value and be resourceful
- Build transparency and credibility



#6

## Leveraging Data

In what ways are you leveraging data to make decisions?

- If you haven't started, start small
- Utilize technology when possible
- Focus on financials and cash
- Track trends over time
- Communicate outcomes



#7

## Customer Experience

Are you taking steps to redefine your customer experience?

- Listen to your customers
- Understand your ideal customer
- Build your customer journey
- Prepare your digital presence
- Focus on empathy

# Let's Talk

For a closer look at the ways privately held businesses are changing and an analysis of how you can keep your strategy ahead of the pace of change, contact your Enterprise Relationship Manager.

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