



Women's
Business Alliance
CENTRAL & NORTH

Recession Proof Your Business

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Why are we here?

Hill Capital - Founded with the principles of community

Mental Model - Tactics to Recession Proof Your Business

Capital - Sources, timing, cost, formation

Identify takeaways and experience share

Core Values

COLLABORATION

We believe in collaborating with our portfolio companies, vendors, and other investors is key to achieving the best outcomes.

TRANSPARENCY

Finance can feel mysterious to many business owners. We work to make sure that our process is transparent and start all of our relationships with an upfront overview of who we are and what a portfolio company can expect from partnering with us.

GROWTH MINDSET

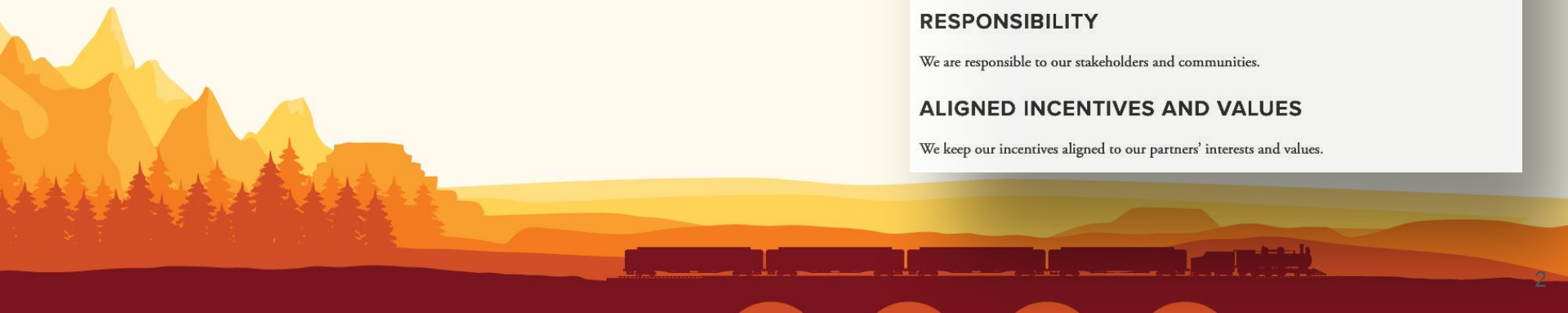
We celebrate the Empire Builders. We believe that growth is critical for every business.

RESPONSIBILITY

We are responsible to our stakeholders and communities.

ALIGNED INCENTIVES AND VALUES

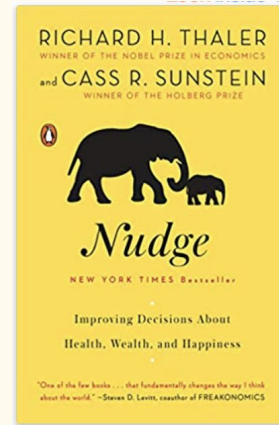
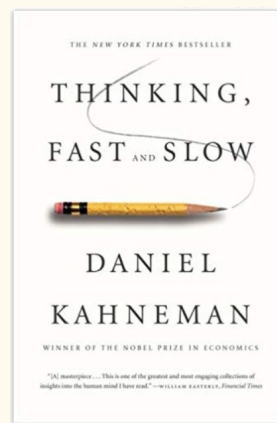
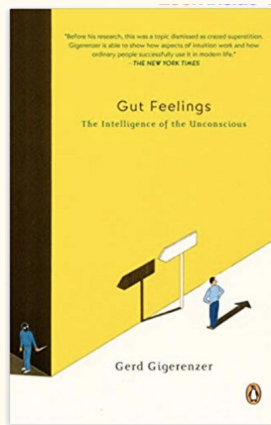
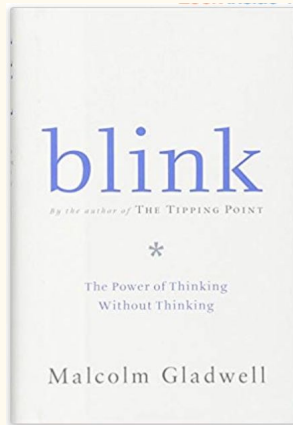
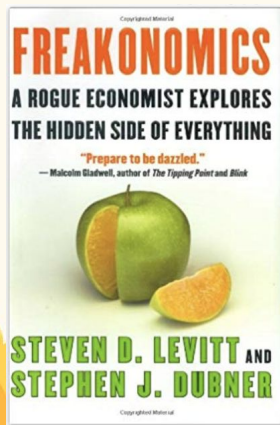
We keep our incentives aligned to our partners' interests and values.



Evolution to Efficient Decision Making

From Instincts >> to Data Only >> to Data + Intuition

Utilize mental models systematically to reduce complexity to survive and thrive





Evolve to Superior Money Decisions

Go

W.E.S.T.

Watch. Execute. Survive. Thrive.



W.E.S.T - Watch

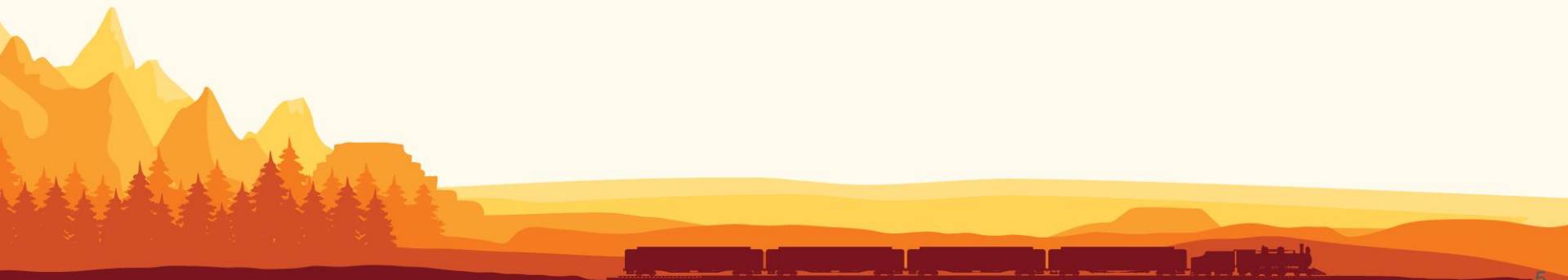
Increase awareness of money through simple observation

Systematically check financial accounts

Analyze cash in and out

Journal findings

		Start date	
	Week ending	6/20/2020	6/27/2020
Summary of Cash Flow			
	Beginning Cash	\$100	\$74
	Cash Received	\$4	\$4
	Operating Expense Cash Disbutions	(\$20)	(\$20)
	Supplier / Vendor Cash Distributions	(\$12)	(\$12)
	Secured Creditor Payments	(\$16)	(\$16)
	Other / adjustments	\$18	\$18
	Ending Cash Balance	\$74	\$48



W.E.S.T - Execute

Start with “Tiny” Habits

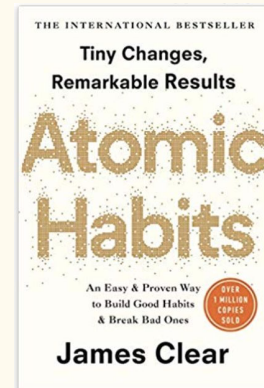
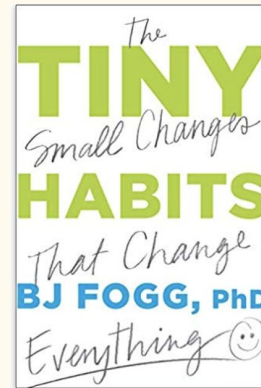
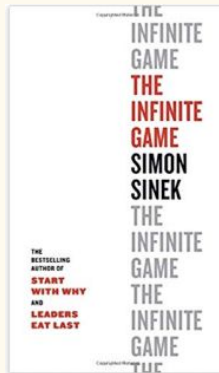
Build Repeatable Processes for Systematic Improvement

Maintain Financial Forecast - monthly for 24 months and rolling 13 weeks

Manage Cash and its Sources

Cultivate Relationships

Build Trust



W.E.S.T - Survive

Capital (expanded in coming slides)

Community

Cash Management



CEO Roundtable®



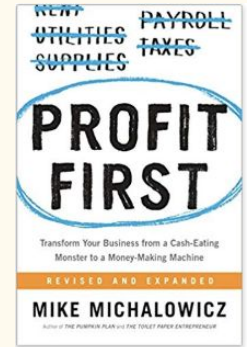
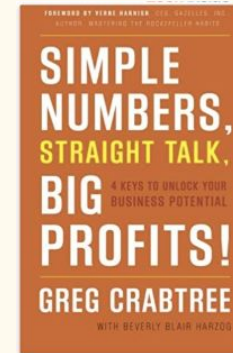
Accelerate the Crisis. Cut costs. Communicate with Stakeholders

Have tough conversations now. Work with vendors and suppliers

Collect indications of interest from capital sources

10% Profit = Cash Breakeven

Core Capital = 1x to 3x monthly expenses



W.E.S.T - Thrive

Invert any problems

Forecast v. budget. Forecast = Roadmap to building capital and enterprise value

Improve your underlying economic model to increase cash conversion

Build, maintain and utilize relationships with capital providers

Utilize community, especially peers, to build market intelligence

Build Acquisition List for 1) Opportunistic Growth 2) Market Intelligence 3) Exit Strategy

Utilize Capital above Core Capital Target to invest in Growth!



Capital: Sources and Timing

Working Capital

- Manage cash and cut unnecessary expenditures
- Terms with suppliers and vendors (accounts payable)
- Get paid quicker (accounts receivable) by negotiating discounts
- Pre-payment on products / services

Current banking and community economic development

Pre-existing relationships that can provide capital

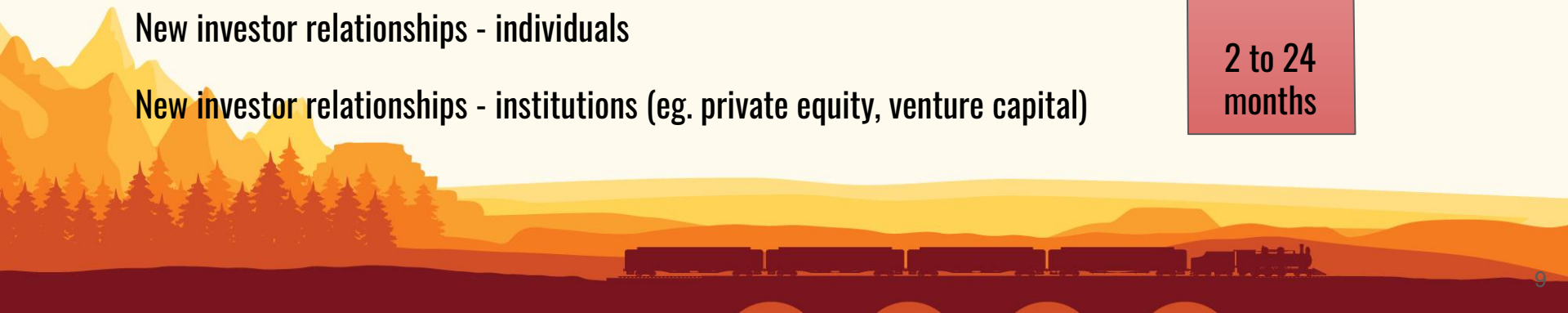
New investor relationships - individuals

New investor relationships - institutions (eg. private equity, venture capital)

Now

1 to 12
weeks

2 to 24
months



Capital: Costs for every \$1

Increase Cash Conversion Cycle - “Free”

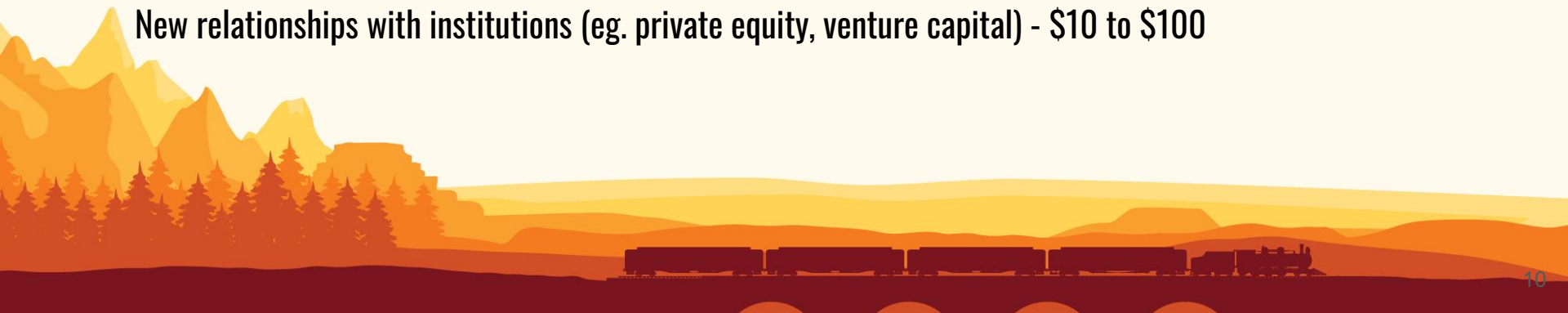
Banks and related - \$1.15 to \$1.30

Pre-existing relationships that can provide capital - \$1.15 to \$3.00

New relationships with individual investors - \$1.50 to \$4.00

Alternative lenders - \$2.75 to \$11.00

New relationships with institutions (eg. private equity, venture capital) - \$10 to \$100



Capital: Formation

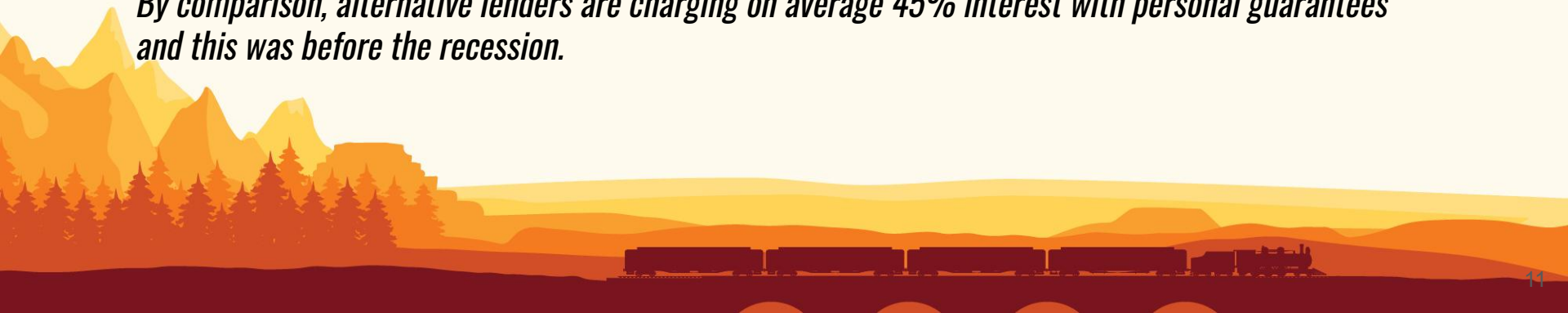
Build your list via peers, membership organizations, economic developers, known investors

Make direct connections with new relationships. *Start immediately and be persistent*

Structure that is clean and easy for new investor to understand:

- Note (investment to be paid back over a period of time, eg. 5 years)
- Prepare to pay 15 to 35% (premium for illiquidity and compete with stock market)
- Consider offering equity (warrant) as bonus if company is sold

By comparison, alternative lenders are charging on average 45% interest with personal guarantees and this was before the recession.



Execute with Confidence

Lead with data, execute with intuition

Peer insights

Mental frameworks (W.E.S.T)



The Road Ahead begins with *You*

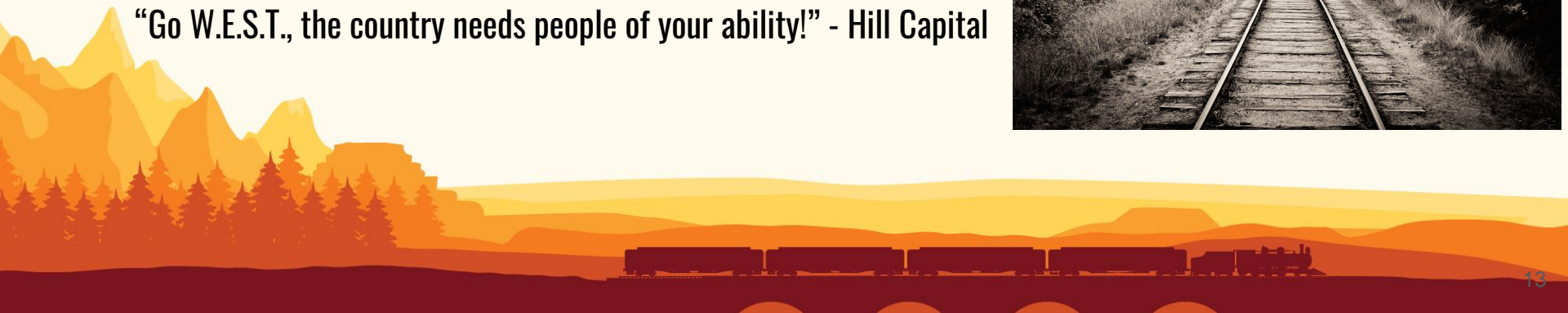
Pay it Forward! Share learning moments of your journey with fellow Entrepreneurs

“If you want to see a change for the better, you have to take things into your own hands” - Clint Eastwood

“Change in all things is sweet” - Aristotle

“Things do not change; we change” - Henry David Thoreau

“Go W.E.S.T., the country needs people of your ability!” - Hill Capital





Connect with us - happy to help

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Resources available at [HillCapitalCorp.com](https://www.hillcapitalcorp.com)

Free Book for WBA participants!

<https://gumroad.com/l/hONS>

use code “wba” at checkout

