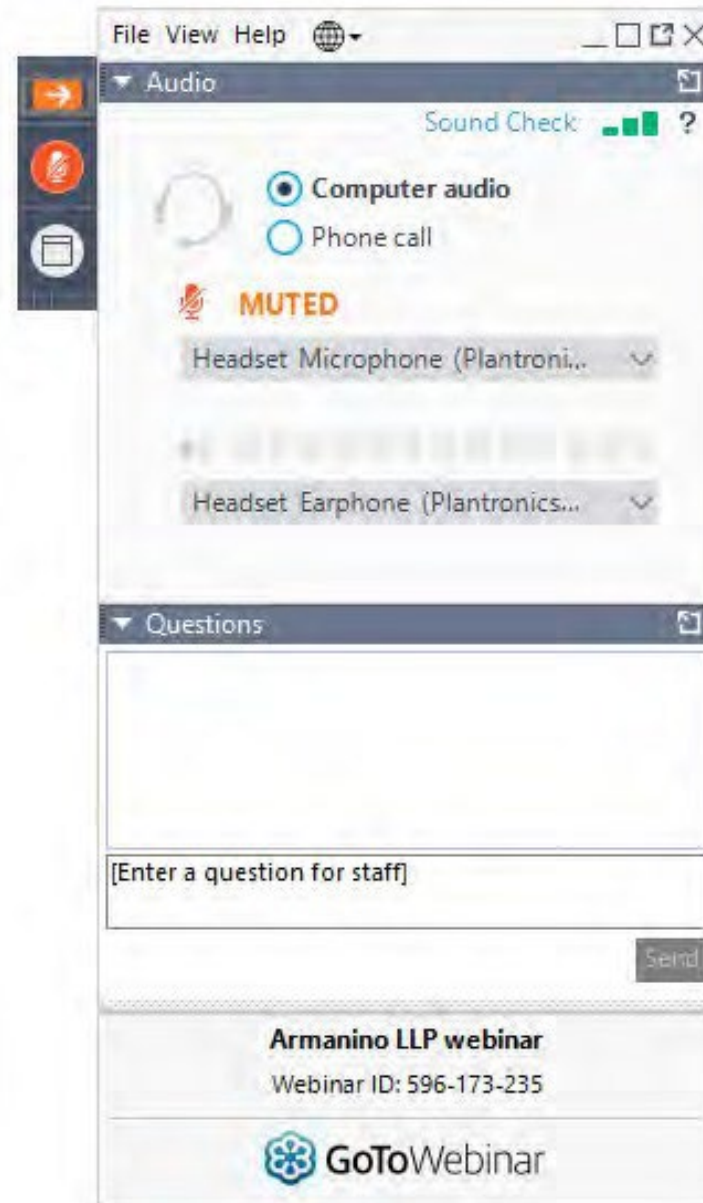




Armanino & Ramsay Innovations Collab Webinar

Using Finance as Your Superpower to Grow Your Business

HOUSEKEEPING




Using Your
Webinar Pane

HOUSEKEEPING



Armanino LLP webinar
Friday, March 24, 2017 11:00 AM Pacific Daylight Time

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AGENDA

What Are We Going To Talk About

01 | Introductions

02 | Finance's Main Jobs

03 | Key Forecasting Elements

04 | Scaling Made Easy

05 | Why Data-Driven Financial Insights

06 | Sales, Marketing & Innovation

07 | Guest Speaker

08 | Q&A

INTRODUCTION

Presenters for Today



Jon Morris

Founder



John Kogan

Director

Armanino



Jay McAllister

CEO



Jonathan Hanwit

CEO



Introduction



rise 
interactive.

RI **RAMSAY**
INNOVATIONS

Ramsay Innovations: Who we are

Scaling your business is hard. We make it easier.

Mission

Helping 1000+
businesses thrive
like they have
never thrived
before

Niche

Holistic solutions
to help SMB B2B
companies grow
faster

The Ramsay Method



ABOUT US

Armanino Overview



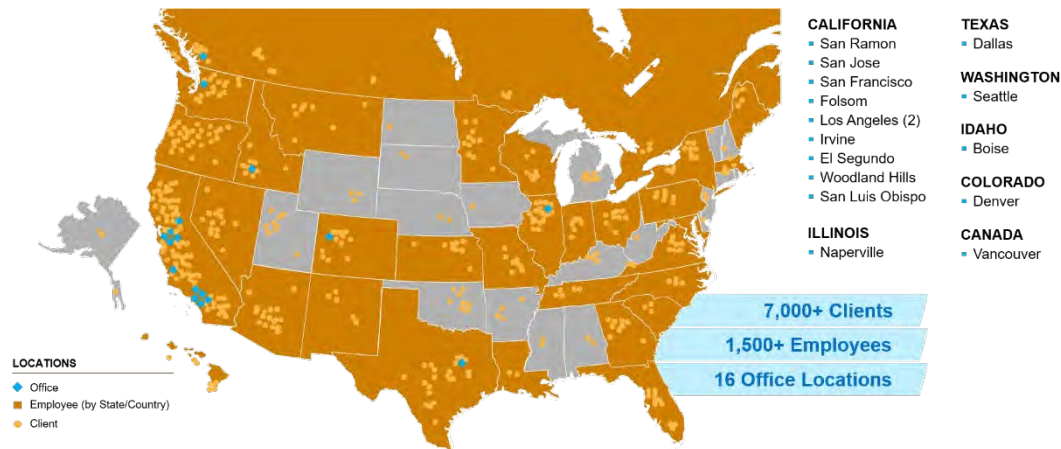
Purpose

To be the **most innovative** and **entrepreneurial firm** that makes a **positive impact** on the lives of **our clients, people and our communities.**

Snapshot

1500+ Employees
Team Members in
22 States
21st Largest CPA &
Consulting
Largest Niche:
Technology

Locations



AFFILIATE COMPANY



RECOGNITION & AWARDS





Finance Has Two Primary Jobs

1. Help companies understand their core economics and constantly improve
2. Chart a path to your chosen future

***Empower leadership to make great decisions
while not expending their energy on the
underlying work***



Job 1a: Reporting

- GAAP reporting doesn't help you understand 'why'
- ...And it misses a lot of the good stuff
- Based on a Chart of Accounts built years ago by your first accountant
- Non-financial info can be as or more important than financial information
- What are your KPIs?



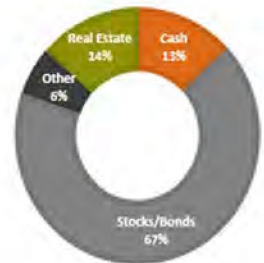
Sample: Reporting



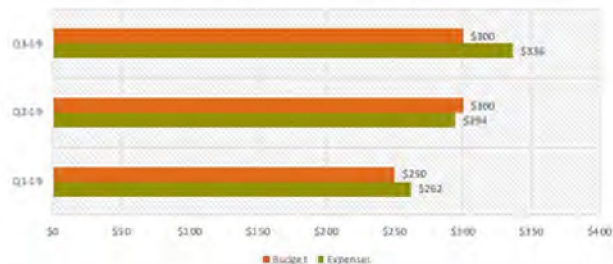
Current Net Worth:
\$20,879,610

ASSET BREAKOUT - NOVEMBER 2019

Cash Stocks/Bonds Other Real Estate



Quarterly Expenses vs Budget (\$ in thousands)



ASSETS, LIABILITIES & NET WORTH (\$ IN MILLIONS)



Savings by Month (\$ in thousands)



Top 3 Revenue Drivers - November 2019



Top 5 Expense Drivers - November 2019



Available Cash:
\$3,024,642

November Revenue:
\$785,816

November Expenses:
\$253,603

November Net Income:
\$532,213

Total Assets:
\$23,096,459

Total Liabilities:
\$2,216,849



Revenue YTD 2016



Quick Ratio | Current Ratio | Debt-Equity

◆ **1.9:1**

Quick Ratio Target: 1.00 or higher

◆ **2.5:1**

Current Ratio Target: 2.00 or higher

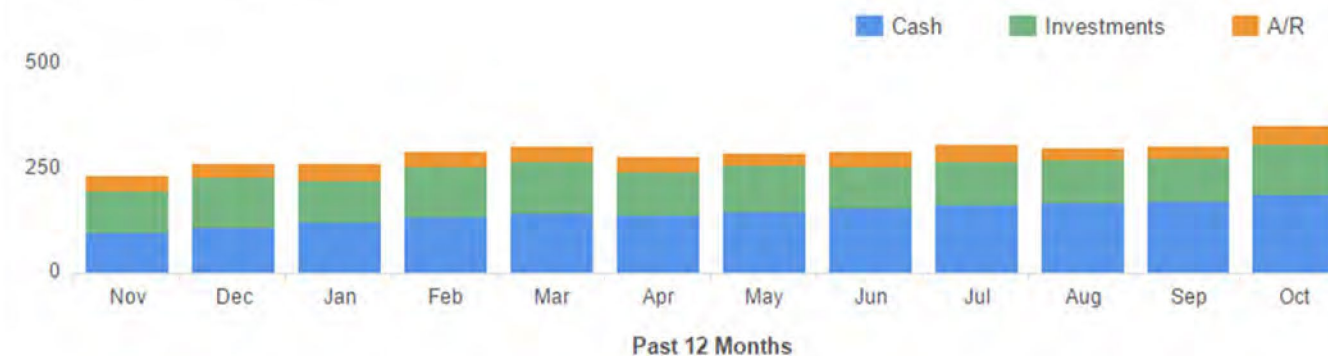
! **0.7:1**

Debt to Equity Target: 0.50 or less

Global Financial Performance



Short Term Assets





Total Accounts Receivable
\$6,621,280

Total Accounts Payable
\$1,630,270

Equity Ratio
75.38 %

Debt Equity
1.10 %

Current Ratio



DSI

[Days Sales Inventory]



DSO

[Days Sales Outstanding]



DPO

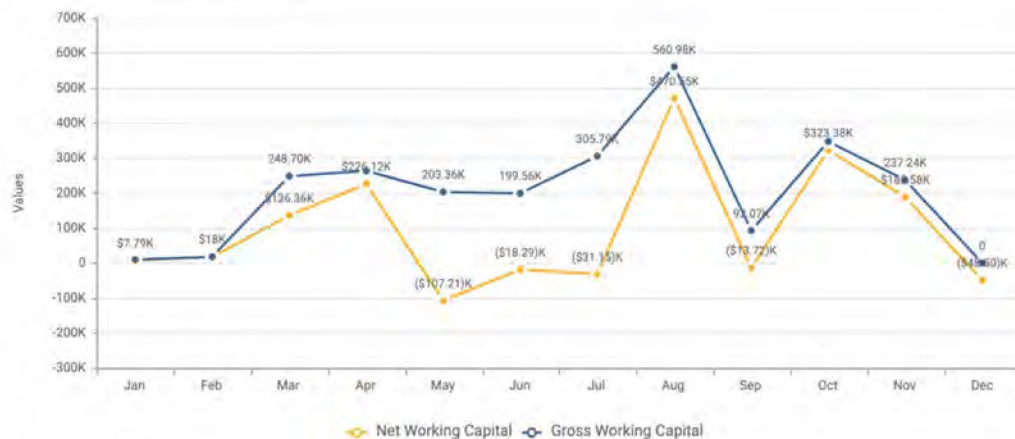
[Days Payable Outstanding]



Total Accounts Receivable and Payable Aging



Net Working Capital vs Gross Working Capital



Profit and Loss summary





Job 1b: Analysis

- Analyze anything performance-related
- Every major function has its analytical needs
- Every KPI has its analysis
- Analysis is to a) *Measure* and b) *Improve*

Sales

- Sales Cycle Length
- Quota Achievement
- Churn
- Avg Deal Size
- M/M Pipeline Value
- So Many More...

Marketing

- MQLs and SQLs
- Funnel Conversion Rate
- Customer Acquisition Cost (CAC)
- Lifetime Value (LTV)
- Return on Ad Spend
- So Many More...

Operations

- Employee Efficiency
- Revenue/Employee
- Customer Satisfaction
- Error Rates/Rework
- So Many More...

Financial

- EBITDA
- Contribution Margin
- Net Cash Flow
- Liquidity Ratio
- A/R Turnover
- So Many More...

Job 2: Forecasting



- See the future without having to live it
- Change it before it happens

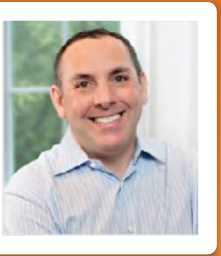




Key Forecast Elements

- **Driver-based revenue and cost**
Product and service with pricing by channel by month...
COGS for production or services, internal and external
Annualized growth with seasonality
- **OPEX**
Detailed future headcount
Overheads
Outside services
- **Cash**
CAPEX
Debt or equity
- **How long?**
Start with 2 years back and 5 years forward

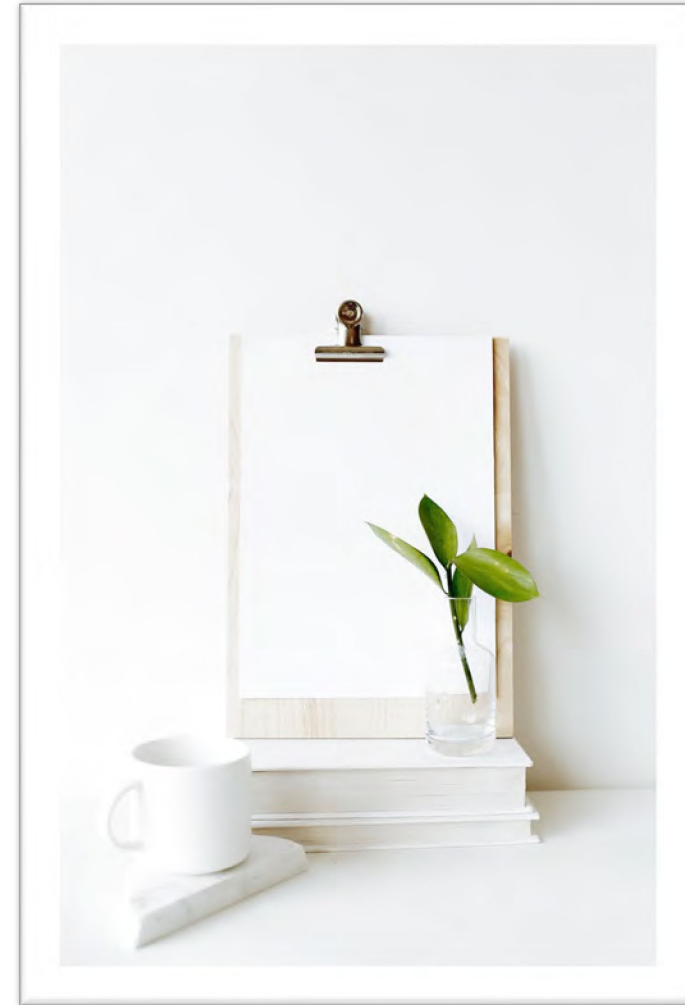


A background image showing two dark blue puzzle pieces being held together by hands. Each piece features a white silhouette of a person. A bright light source creates a lens flare effect between the two pieces.

Ramsay Method

Scaling Made Easier

- Data-Driven Financial Insights
- Bottoms-Up Budgeting
- Financial Projections and New Customer Acquisition
- Fuel Growth by Investing in Sales, Marketing, and Innovation





Why Data-Driven Financial Insights

Bottoms-Up Budgeting



Revenue

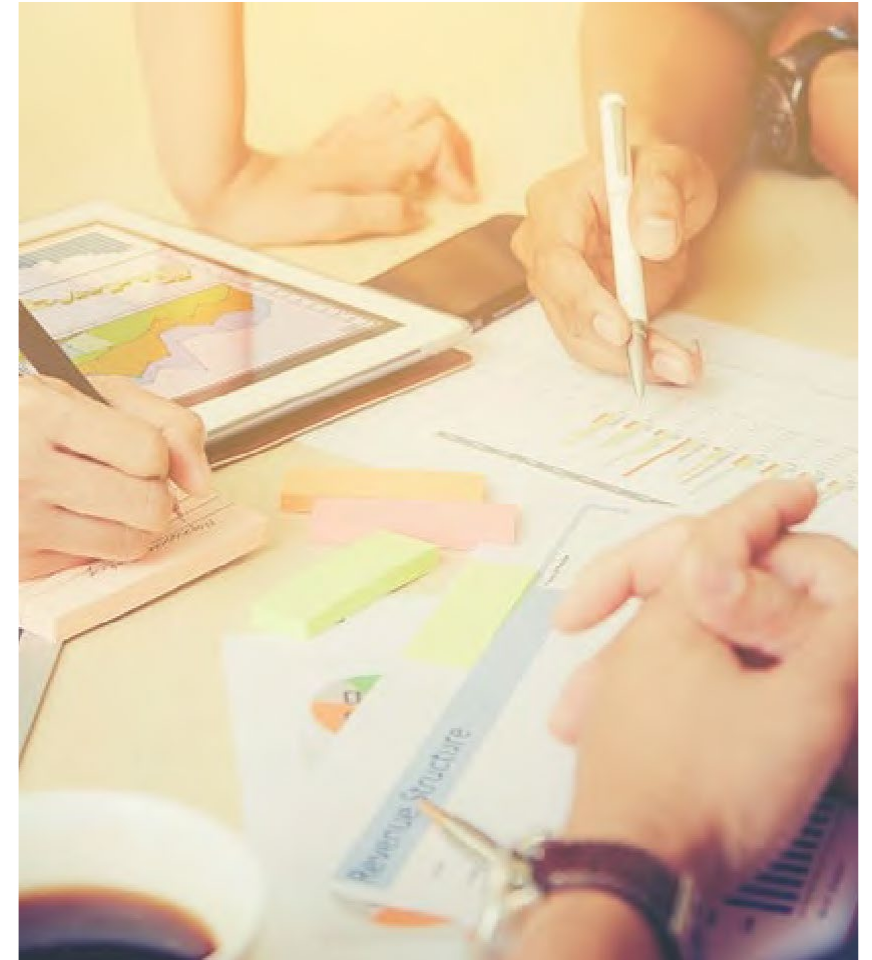
- Existing Clients
- Named New Clients
- Unnamed New Clients

Cost of Goods/Service

SG&A

- Executive
- Sales/Marketing
- Operations/Finance
- Technology

Profit

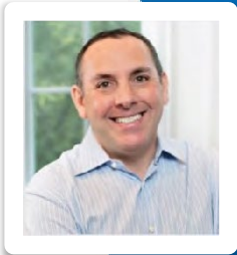


Financial Projections



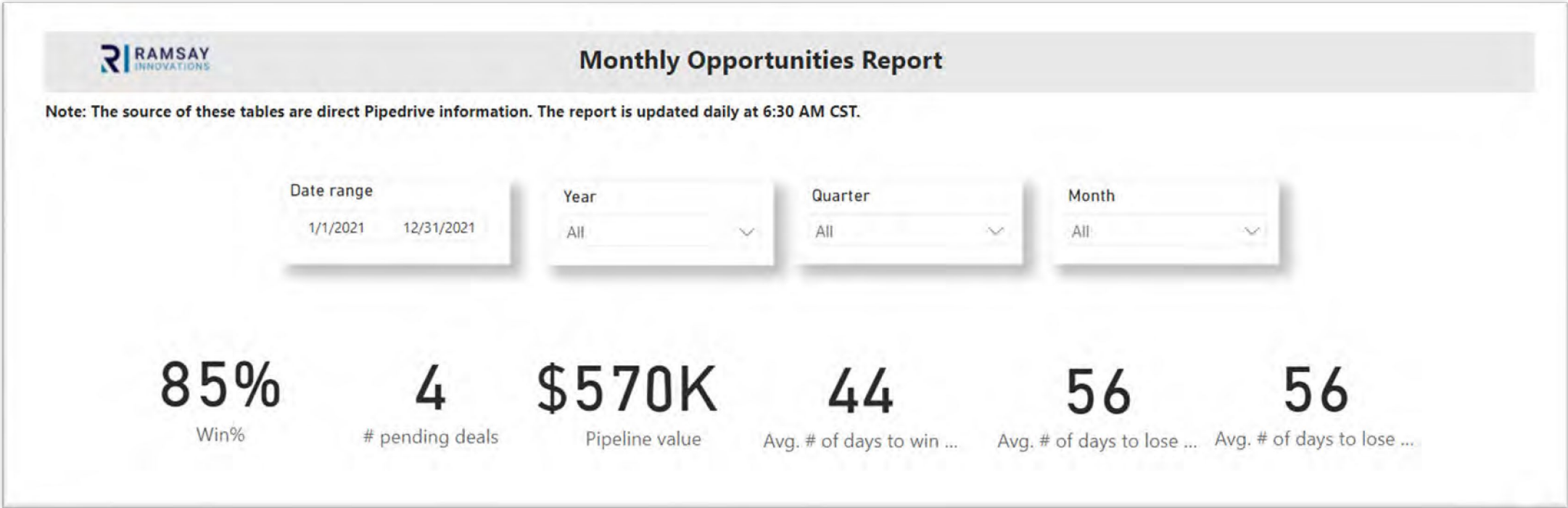
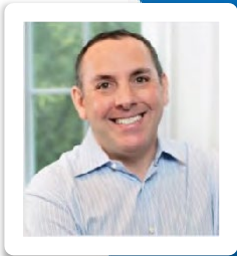
Existing Clients													
Clients	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Client A	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$240,000
Client B	\$0	\$0	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$135,000
Client C	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$0	\$0	\$225,000
Client D	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$205,000
Client E	\$0	\$30,000	\$15,000	\$10,000	\$10,000	\$10,000	\$10,000	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$122,500
Client F	\$0	\$0	\$0	\$20,000	\$20,000	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000
Client G	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
Client H	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$100,000
Total	\$69,000	\$99,000	\$94,000	\$124,000	\$124,000	\$124,000	\$104,000	\$106,500	\$106,500	\$81,500	\$81,500	\$81,500	\$1,195,500
Prospective Clients													
Named New Clients													
Client 001				\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$135,000
Client 002					\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$100,000
Client 003			\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$250,000
Total	\$0	\$0	\$25,000	\$40,000	\$52,500	\$52,500	\$52,500	\$52,500	\$52,500	\$52,500	\$52,500	\$52,500	\$485,000
Blue Sky													
Clients	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Client 1					\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$100,000
Client 2						\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$87,500
Client 3							\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$75,000
Client 4								\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$62,500
Client 5									\$12,500	\$12,500	\$12,500	\$12,500	\$50,000
Client 6										\$12,500	\$12,500	\$12,500	\$37,500
Client 7											\$12,500	\$12,500	\$25,000
Client 8												\$12,500	\$12,500
Total	\$0	\$0	\$0	\$0	\$12,500	\$25,000	\$37,500	\$50,000	\$62,500	\$75,000	\$87,500	\$100,000	\$450,000
Subtotal	\$0	\$0	\$25,000	\$40,000	\$65,000	\$77,500	\$90,000	\$102,500	\$115,000	\$127,500	\$140,000	\$152,500	\$935,000
Total Revenue	\$69,000	\$99,000	\$119,000	\$164,000	\$189,000	\$201,500	\$194,000	\$209,000	\$221,500	\$209,000	\$221,500	\$234,000	\$2,130,500

Customer Acquisition By Month



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
New Customer Target	0	0	1	1	2	1	1	1	1	1	1	1	11

BANT Opportunities By Month: KPIs



BANT Opportunities By Month: Monthly Follow-up



BANT OPPORTUNITIES FOR 2021

Status	January	February	March	April	May	June	July	August	September	October	November	December	Status	Total
Lost	1		1		1								Lost	3
Open		1		1	1	1							Open	4
Won	4	4	6	7	5	1							Won	27
Total	5	5	7	8	7	2							Total	34

Bant Target

	January	February	March	April	May	June	July	August	September	October	November	December	Total
.	4	4	7	7	7	13	12	12	12	14	14	14	119

BANT Opportunities By Month: Clients Signed

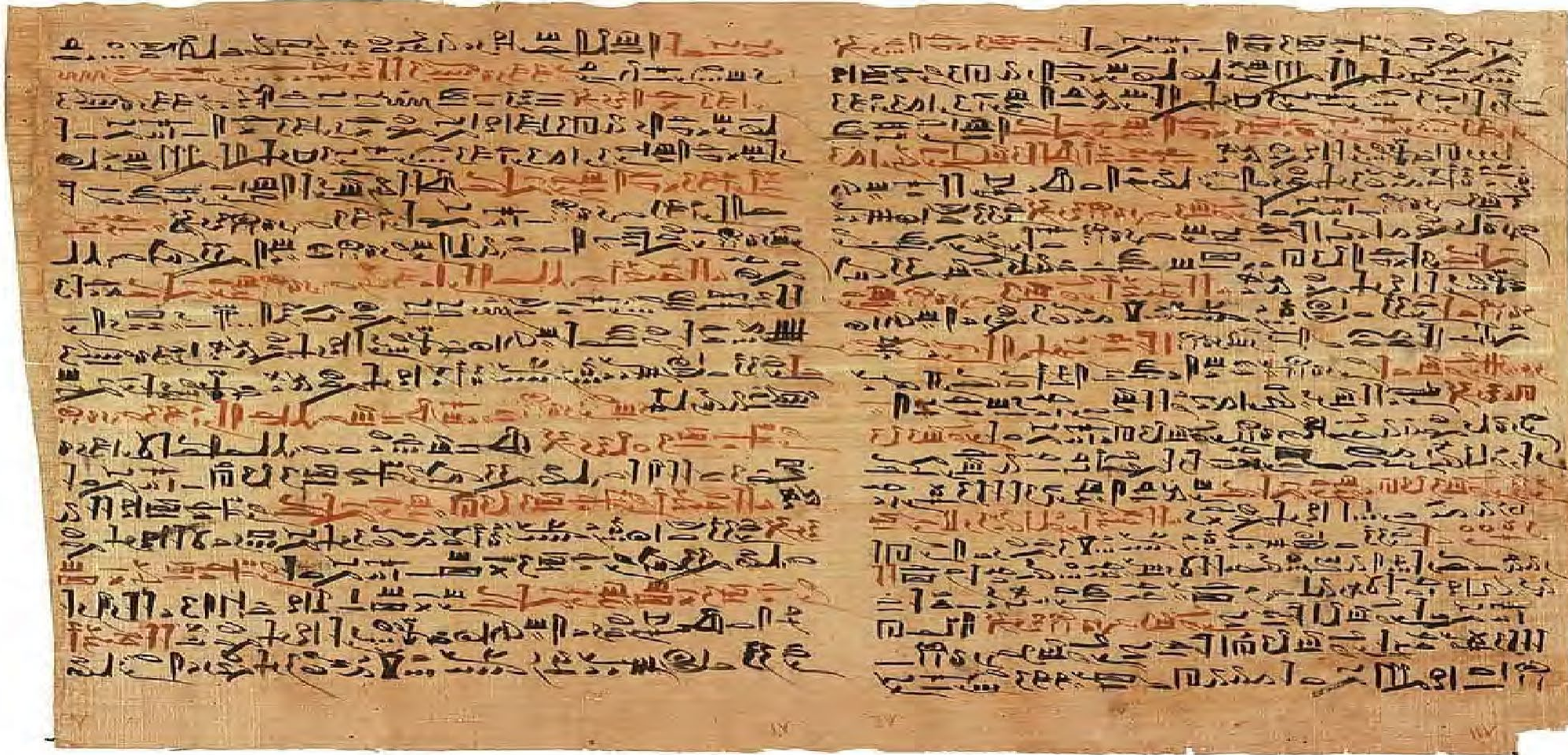


CLIENTS SIGNED IN 2021

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Client Signed Target	1	2	2	3	3	3	6	6	6	7	7	7	53
Client Signed	5	2	7	3	3	1							21

*These tables use "Contract Signed Date" to assign *Client Signed* for each month

Philosophy



Sales & Marketing



- View Sales & Marketing as an investment, not an expense
- Does this expense help growth?
 - If not, move it to S&M
- Measure success based on commercial results
- Target the capabilities that matter the most
- Adjust target audience to company's stage of development



Innovation



- What makes you unique?
- It is a journey towards differentiation
- Increase win rate
- Increase retention rate
- Unlock new revenue sources

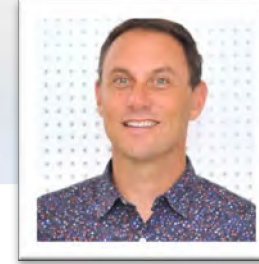


Key Takeaways



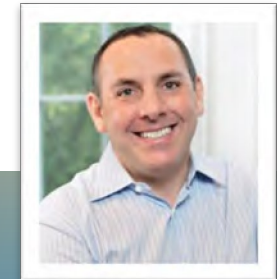
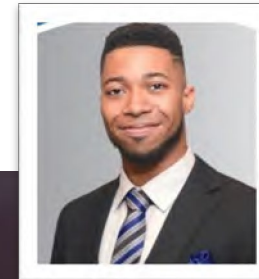
- Use data-driven financial insights to drive your decision-making
- Use bottoms-up budgeting and financial projections to determine your revenue and expense allocation and get clarity on new customer acquisition
- Fuel growth by maximizing investment in sales, marketing, and innovation





Paragon Tech

Client Discussion



Where Do We Go From Here



Provide us with:

- Existing financial forecast and recent financial statements
- Prior 2 years tax returns

We will provide:

- FREE one hour finance workshop

What & How

- Discuss your current finance situation
- Discuss your goals for the entity
- Freely and openly share thoughts about how to get from here to there

Reach out to our Experts – Experts@armanino.com



Any Questions?
Thank You

Contact Us: experts@armanino.com



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Jon@ramsayinnovations.com

Armanino Operates in an Alternative Practice Structure:

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