

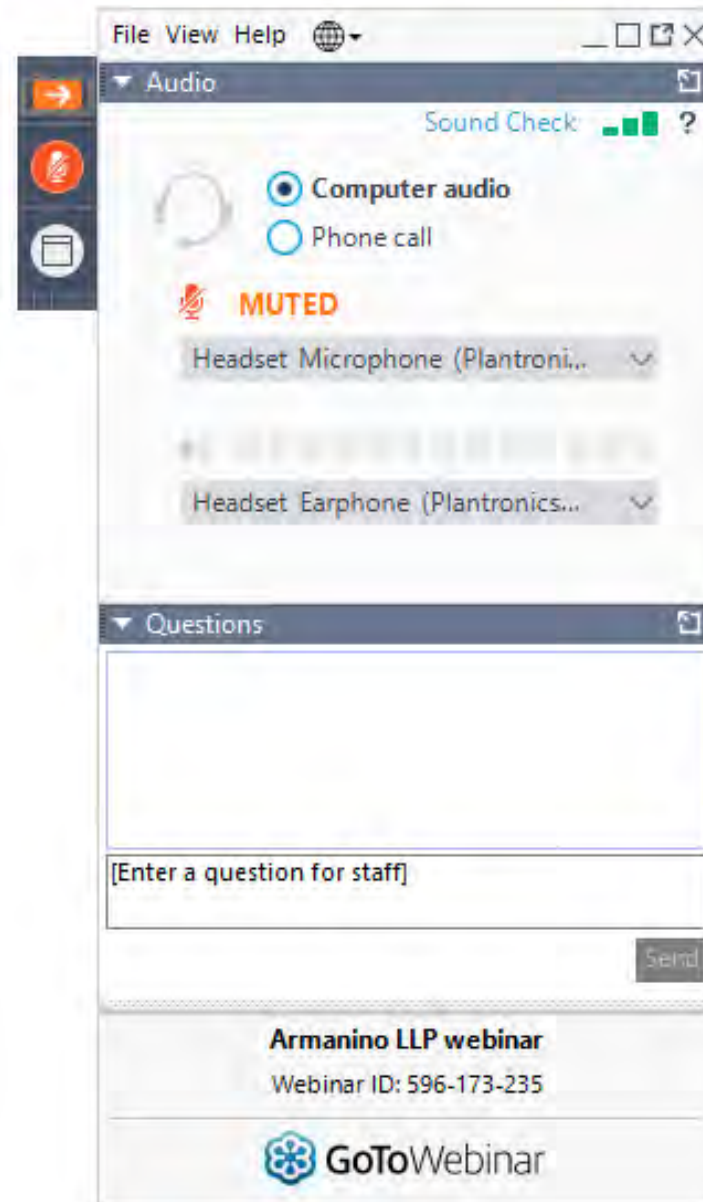


*Armanino & Ramsay Innovations Collab Webinar*

# 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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You will join in listen-only mode Test your sound

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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



**Jay McAllister**  
CEO



**Jonathan Hanwit**  
CEO



# Introduction



**rise**   
interactive.

**R** | **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



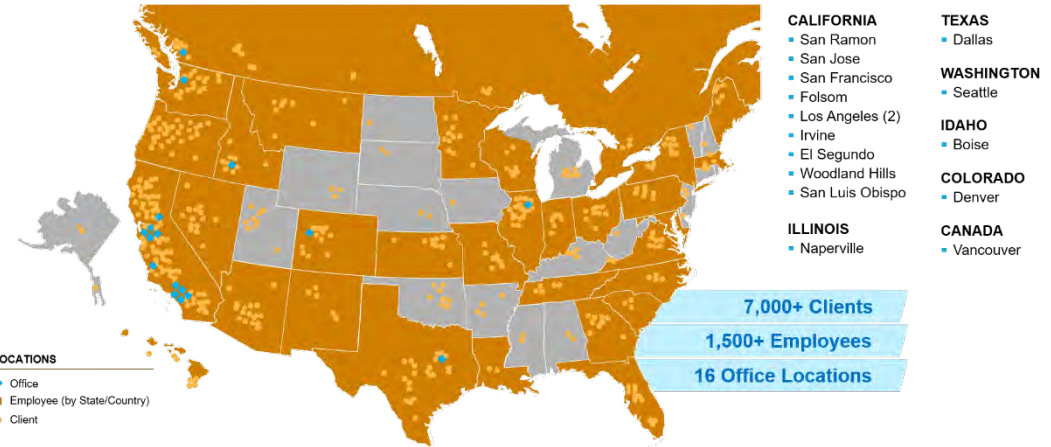
## Purpose

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



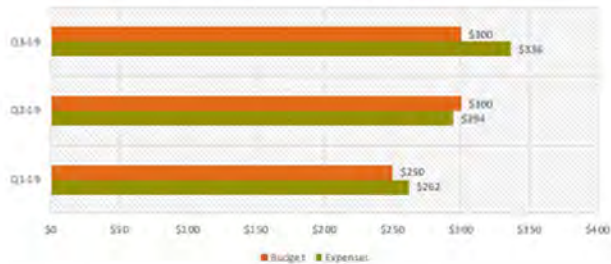
**Current Net Worth:**  
**\$20,879,610**

ASSET BREAKOUT - NOVEMBER 2019

Cash Stocks/Bonds Other Real Estate



Quarterly Expenses vs Budget (\$ in thousands)



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



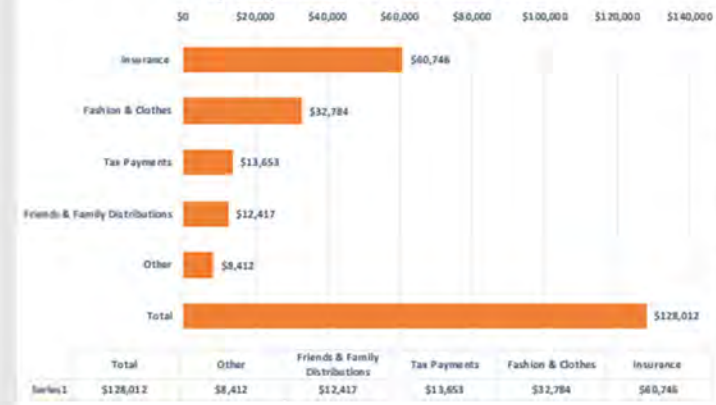
Top 3 Revenue Drivers - November 2019



Savings by Month (\$ in thousands)



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

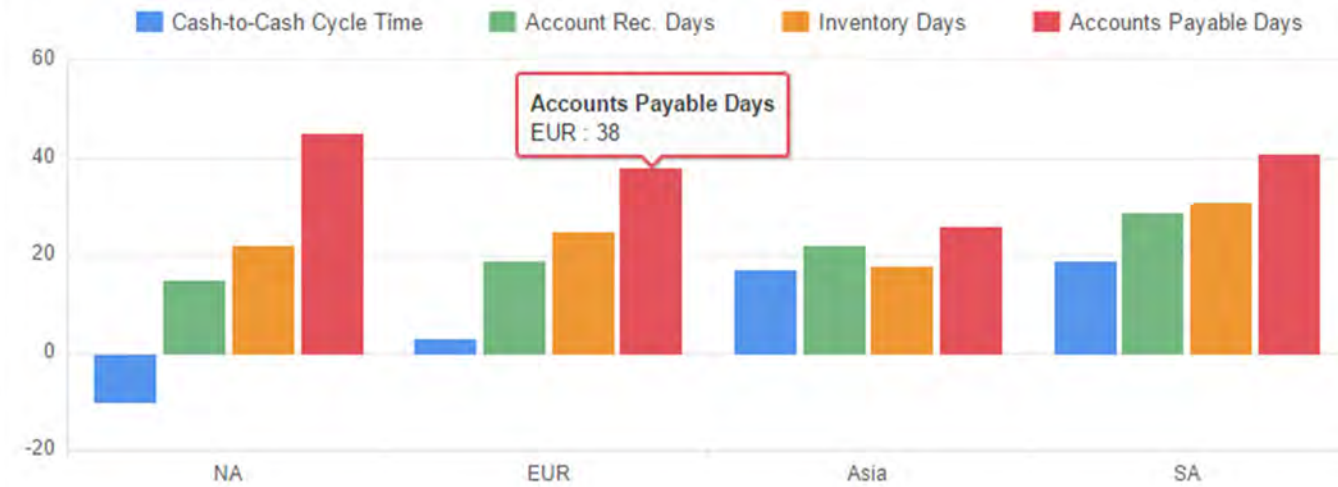
**2.5:1**

Current Ratio Target: 2.00 or higher

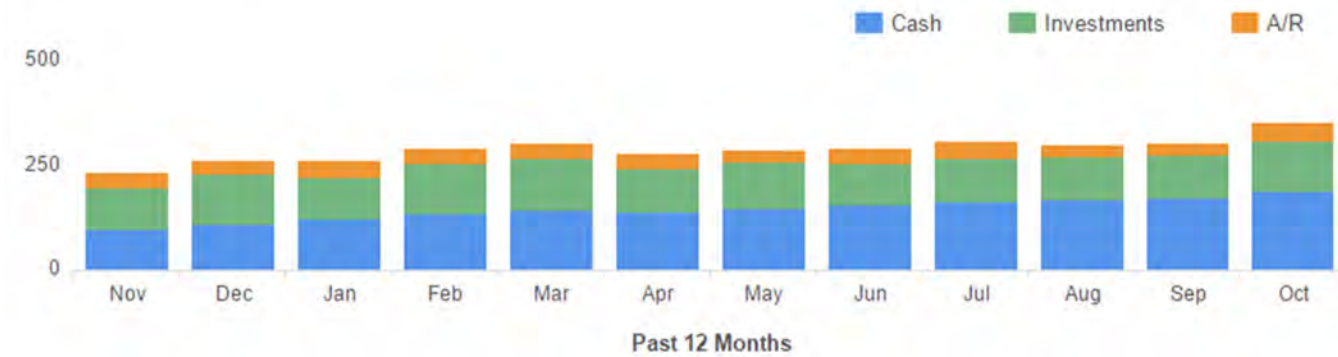
**0.7:1**

Debt to Equity Target: 0.50 or less

### Global Financial Performance



### Short Term Assets





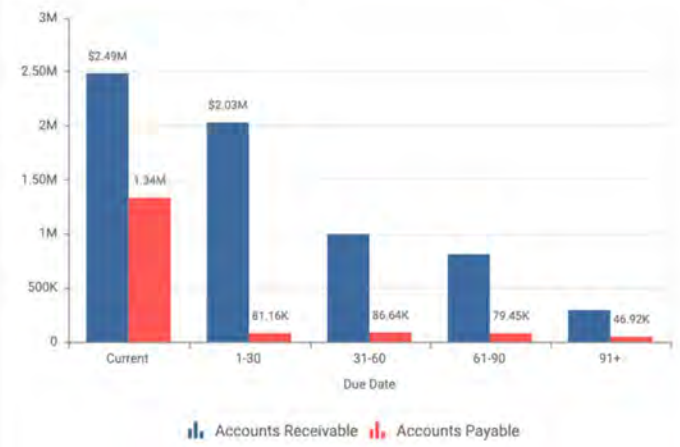
Total Accounts Receivable  
**\$6,621,280**

Total Accounts Payable  
**\$1,630,270**

Equity Ratio  
**75.38 %**

Debt Equity  
**1.10 %**

Total Accounts Receivable and Payable Aging



Current Ratio



DSI

[Days Sales Inventory]



DSO

[Days Sales Outstanding]



DPO

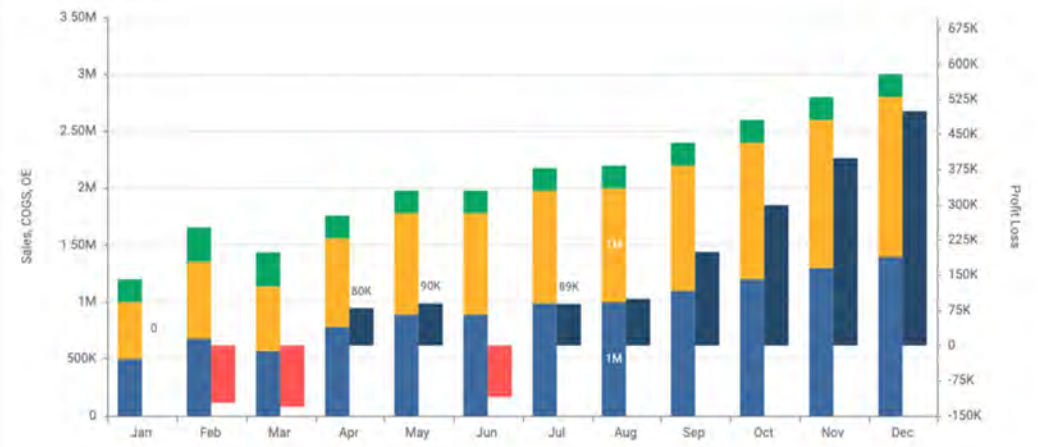
[Days Payable Outstanding]



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

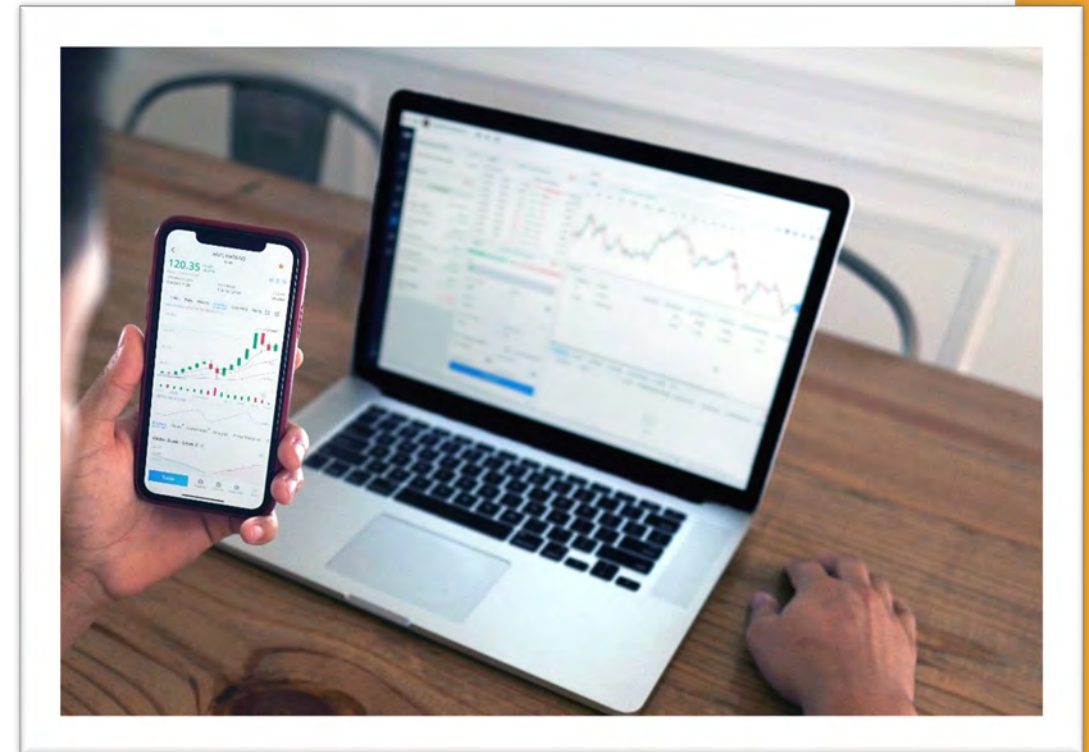


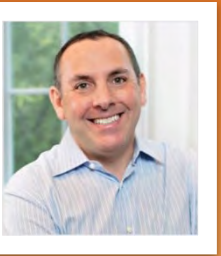




# Key Forecast Elements

- **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

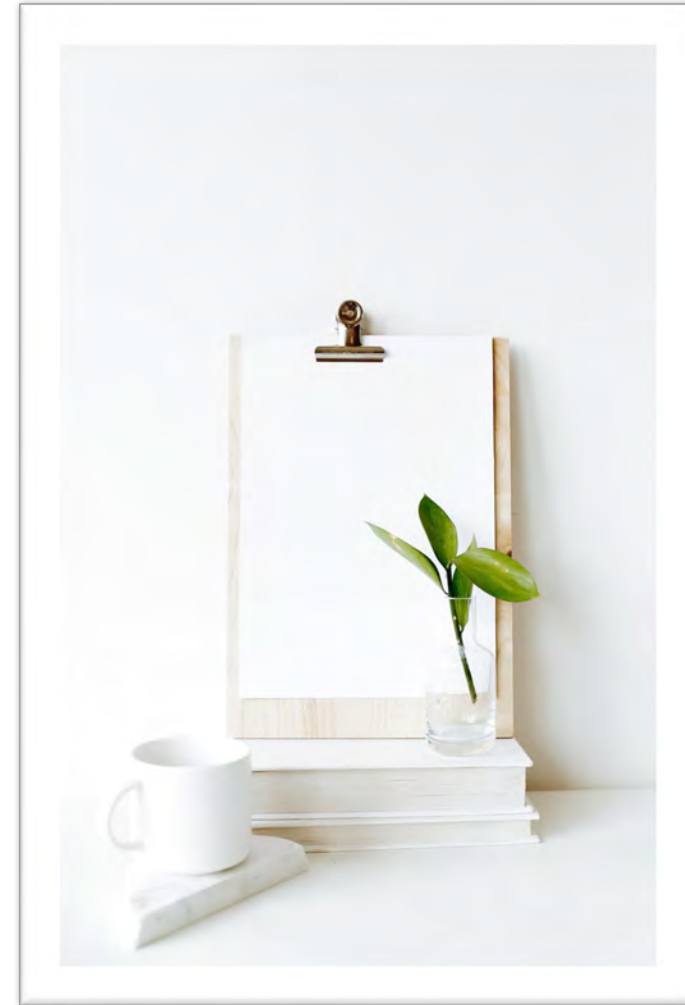




# Ramsay Method

# 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
<b>Total</b>	<b>\$69,000</b>	<b>\$99,000</b>	<b>\$94,000</b>	<b>\$124,000</b>	<b>\$124,000</b>	<b>\$124,000</b>	<b>\$104,000</b>	<b>\$106,500</b>	<b>\$106,500</b>	<b>\$81,500</b>	<b>\$81,500</b>	<b>\$81,500</b>	<b>\$1,195,500</b>
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
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$40,000</b>	<b>\$52,500</b>	<b>\$52,500</b>	<b>\$52,500</b>	<b>\$52,500</b>	<b>\$52,500</b>	<b>\$52,500</b>	<b>\$52,500</b>	<b>\$52,500</b>	<b>\$485,000</b>
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
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,500</b>	<b>\$25,000</b>	<b>\$37,500</b>	<b>\$50,000</b>	<b>\$62,500</b>	<b>\$75,000</b>	<b>\$87,500</b>	<b>\$100,000</b>	<b>\$450,000</b>
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$40,000</b>	<b>\$65,000</b>	<b>\$77,500</b>	<b>\$90,000</b>	<b>\$102,500</b>	<b>\$115,000</b>	<b>\$127,500</b>	<b>\$140,000</b>	<b>\$152,500</b>	<b>\$935,000</b>
<b>Total Revenue</b>	<b>\$69,000</b>	<b>\$99,000</b>	<b>\$119,000</b>	<b>\$164,000</b>	<b>\$189,000</b>	<b>\$201,500</b>	<b>\$194,000</b>	<b>\$209,000</b>	<b>\$221,500</b>	<b>\$209,000</b>	<b>\$221,500</b>	<b>\$234,000</b>	<b>\$2,130,500</b>



# BANT Opportunities By Month: KPIs





## Monthly Opportunities Report

Note: The source of these tables are direct Pipedrive information. The report is updated daily at 6:30 AM CST.

Date range: 1/1/2021 - 12/31/2021

Year: All

Quarter: All

Month: All

<b>85%</b> Win%	<b>4</b> # pending deals	<b>\$570K</b> Pipeline value	<b>44</b> Avg. # of days to win ...	<b>56</b> Avg. # of days to lose ...	<b>56</b> Avg. # of days to lose ...
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# 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
<b>Total</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>2</b>							<b>Total</b>	<b>34</b>

### 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

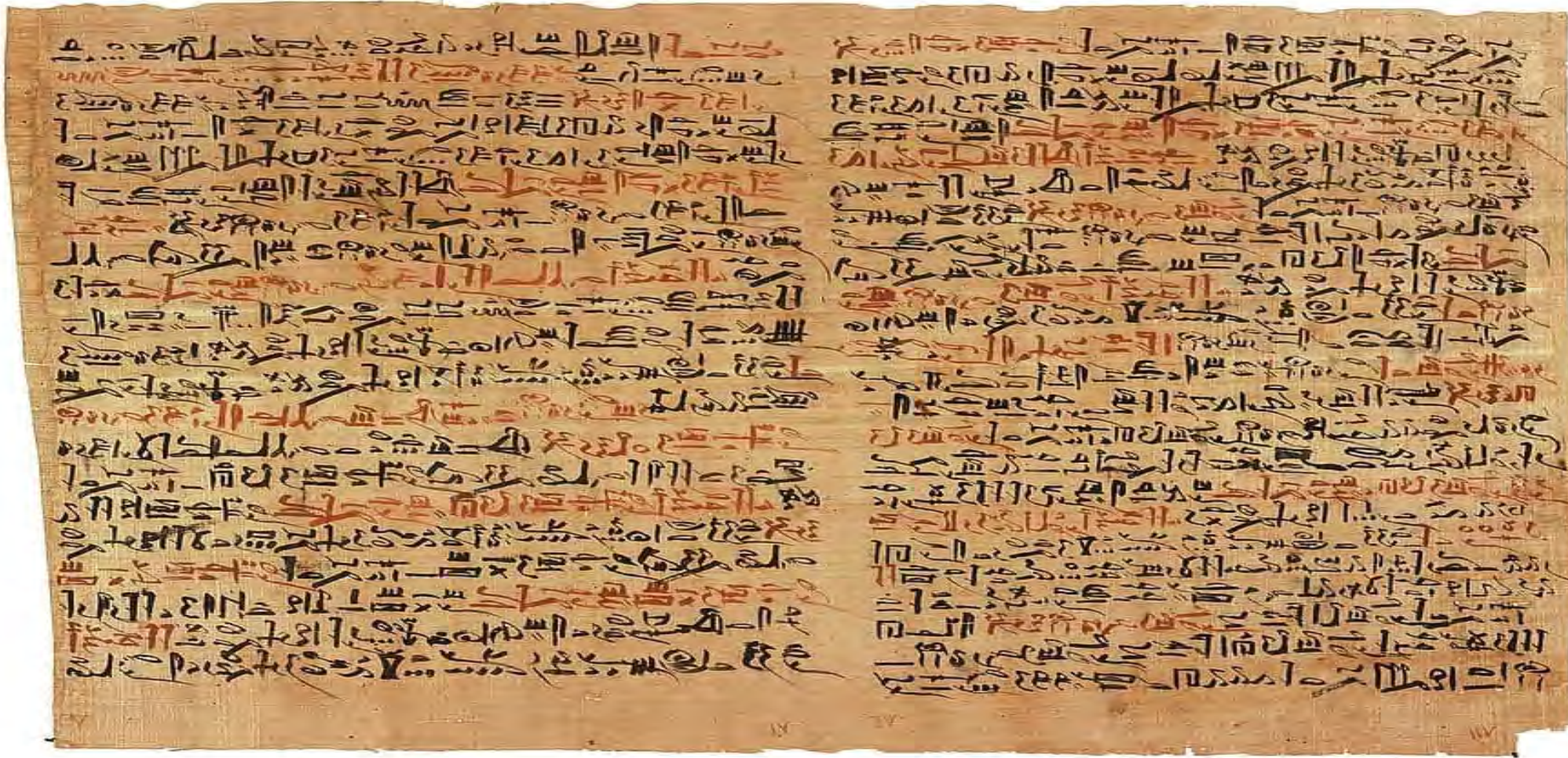


## CLIENTS SIGNED IN 2021

	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



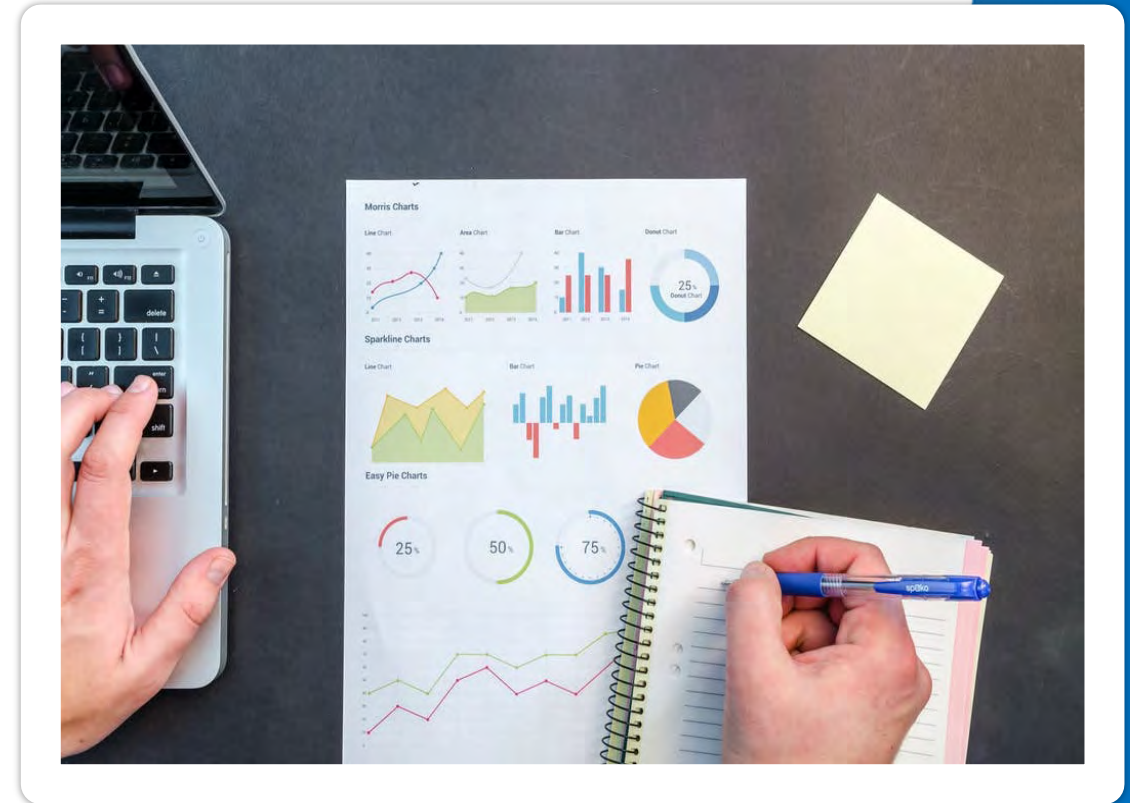
- What makes you unique?
- It is a journey towards differentiation
- Increase win rate
- Increase retention rate
- Unlock new revenue sources



# Key Takeaways



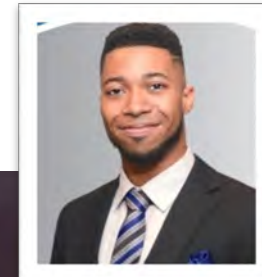
- Use data-driven financial insights to drive your decision-making
- Use bottoms-up budgeting and financial projections to determine your revenue and expense allocation and get clarity on new customer acquisition
- Fuel growth by maximizing investment in sales, marketing, and innovation





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@armaninoLLP.com](mailto:Experts@armaninoLLP.com)**





Any Questions?  
**Thank You**

Contact Us: [experts@armaninollp.com](mailto:experts@armaninollp.com)



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