



FIRST FRIDAY SERIES

How to Help Clients Better Manage Their Finances

Presented by  **Payroll Funding**
COMPANY



Last year we focused on

**Financial Risk
Management for PEOs**

**“Is there anything we can
do proactively to help our
clients financially?”**

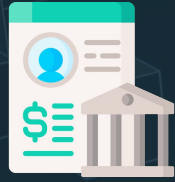
(without adding unwanted burdens to the PEO)

YES!

- 1 Build Partner Network**
- 2 Help Clients Grow**
- 3 Avoid Toxic Debt**



1 Build Partner Network



Banking



Lenders



Insurance



Staffing



Legal



Accounting

Add Flavor

Maximize your value to clients by offering meaningful referrals

- Develop an approach to steer your clients
- Best to have direct referrals
- Make your network known to your clients (actively/passively)





More Than a Trusted HR Resource

Being the main source for any issues related to finance will cultivate deeper relationships with your clients.

A man with a beard and dark hair, wearing a red and blue plaid shirt, is looking down at a tablet computer he is holding with both hands. He is standing in a workshop or garage, with shelves filled with various tools and materials in the background. The scene is dimly lit, with a blueish tint. The text '2 Help Clients Grow' is overlaid on the image.

2

Help Clients Grow

Income Statement

Revenue/Sales	\$1,000,000
Labor (8 employees)	\$500,000
Materials	\$200,000
Corporate Overhead	\$150,000
Income/Owner's Profit	\$150,000



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Growth Opportunity

Revenue/Sales	\$1,500,000
Labor (12 employees)	\$750,000
Materials	\$300,000
Corporate Overhead	\$200,000
Income/Owner's Profit	\$250,000
67% more!	

What's the problem?

- 45-60 day payment terms
- \$43,000-\$58,000 working capital needs
- Short \$23,000-\$38,000 in working capital!

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Encourage

your clients to solve this problem

- Find good financial partners who like to fund growth
- Capital loves to find fruitful growth projects





3 **Avoid Toxic Debt!**

Avoid MCAs

Merchant Cash Advance lenders are toxic because...

- Daily draw is dangerous for companies with uneven cash flow
- Terms and conditions are (intentionally) opaque
- Prepayment options are usually very limited
- MCA lenders are extremely aggressive in tactics





Borrow The Right Kind of Capital

Use your license to help your clients with finance matters by educating them on the downside to MCA loans.

**Is there anything we can
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(without adding unwanted burdens to the PEO)

- 1 Build Partner Network**
- 2 Help Clients Grow**
- 3 Avoid Toxic (MCA) Debt**



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Q&A



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