

HIA-LI's Executive Breakfast: Financing Growth

Industry Professionals Discuss Strategic Plans for Creating Sustainable Revenue



HIA-LI event Sponsors, Directors and featured speakers: (L to R) Rita DiStefano, Director of HR Consulting at Portnoy, Messinger, Pearl & Associates, Inc. and HIA-LI Chairperson of the Board; Robert Kothe, Owner of FactxBack.com Websites & Videos; John Robertson, Owner of The Sexy Salad; Neil Seiden, Managing Director of Asset Enhancement Solutions, LLC; Marc P. Palker CMA, MBA, RTRP, Principal of MPP Associates, Inc; Arthur Sanders, Director of Asset Enhancement Solutions, LLC and Lifetime HIA-LI Board Member; Vincent Palazzolo, CFO of CPI Aero; Mark Harrigan, VP/Branch Manager of Suffolk County National Bank; Marty Schmitt Partner at Flexible Business Systems; Terri Alessi-Miceli, HIA-LI President.

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How can your business create sustainable revenue? According to a distinguished panel of CFOs and financial experts, the answer is to develop and implement a strategic plan. On March 24th, HIA-LI's Executive Breakfast brought together industry professionals for an informative panel on Financing Growth. The event was held at the offices of Flexible Business Systems in Hauppauge and drew Long Island business owners and executives. The central theme of the discussion was the importance of strategic planning to guide business growth.

HIA-LI President Terri Alessi-Miceli began the event by recognizing the Institute of Management Accountants (IMA) as partners in bringing the event to HIA-LI. IMA is a global organization with over 200 professional chapters, including a robust Long Island chapter. Ms. Alessi-Miceli noted that HIA and IMA have partnered for over 3 years. She remarked how valuable the collaboration was to HIA and its members. "The number one issue for business owners is finding more sustainable revenue. IMA provides a breadth of financial education that HIA doesn't have and helps widen our reach," she said. These sentiments were echoed by the panel's moderator, Arthur Sanders.

Mr. Sanders, a Director at Asset Enhancement Solutions, LLC, is a past president of HIA-LI and past president of the Long Island chapter of IMA, and currently serves on its board. He stated "HIA-LI and IMA have the same values – to help their members. We are the finance equivalent of the Miller Business Resource Center," another information resource that HIA-LI provides to members.

Before introducing the individual panelists, Mr. Sanders discussed how companies are looking for new strategies to streamline, be more productive and remain competitive. He then presented Marc P. Palker, Principal of MPP Associates and currently serving on the Global Board of Directors of the IMA as well as its Chair-Elect for 2015-2016. Mr. Palker stressed the significance of a strategic plan as a first step to growth. "A strategic plan is not a budget, but a budget is a small piece of your strategic plan," he stated. It sets out where you are going with your business and how you want to get there. It is both your vision and mission. Mr. Palker outlined the process for creating a plan as well as the 3 primary goals that should drive the plan. His key point was that strategic planning must be a continuing process that should be implemented, monitored and adjusted regularly. "It is not an end, only a new beginning," he said.

Mr. Palker also mentioned that

companies looking to grow need international business skills to help their companies succeed in an increasingly global marketplace. This idea was also picked up by the next speaker, Vincent Palazzolo, CFO of CPI Aero. They noted that many companies don't think of themselves as global, but they are often buying, selling and sourcing internationally, even if it's through third parties.

Mr. Palazzolo's main discussion centered on how operating budgets fit into a strategic plan. There are many benefits of budgeting, including controlling costs, creating efficiency and accountability, planning for growth and capacity changes and providing public guidance in the case of publicly held companies. One of the main points he stressed was the importance of budgeting "top down and bottom up." Executives may set the financial targets, but they must find out what is needed from those at all levels of the organization. He recommended starting the budgeting process early and continually monitoring and adjusting as you go. When there are variances, you must understand why and seek feedback. Analyzing those variances can even provide opportunities to encourage innovation.

The final speaker was Neil Seiden, Managing Director of Asset Enhancement Solutions, LLC. Mr. Seiden spoke about financing

solutions for your strategic plan and he provided a host of scenarios of how a growing business may need nontraditional financing. For example, a small company may want to start targeting large customers and then be faced with a big order to fill. Purchase order financing may be the perfect solution. For businesses going after certain types of accounts, such as foreign customers and government contracts, there are specialized lenders who may be more likely to provide financing than traditional banks. Mr. Seiden outlined other types of financing available to businesses that are significantly growing, highly leveraged or in turnaround situations. Loans may be secured by inventory, accounts receivable, equipment, real estate and other collateral. The point is that companies have various options open to them to fund their strategic plan. However, as part of their plan, they must keep in mind the lead time for getting financing and the type of financing that may be available.

HIA-LI thanks the speakers and event sponsors including Flexible Business Systems, Suffolk County National Bank and The Sexy Salad for their advice to and support of Long Island businesses.

Join us on April 29th for HIA-LI's Executive Breakfast: Hauppauge Industrial Park Update.. Register online at www.hia-li.org or call (631) 543-5355.