



interactive dialogue

Four Pillars of Business Success

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January 27, 2022





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The webinar regarding **Four Pillars of Business Success** begins at 9:00 AM PT.

MATERIALS

Materials and sign-in were included in the reminder email sent January 26.

WEBINAR Q&A

If you have questions, please type the question into “Chat” and the presenters will address during Q&A, as time permits. If there isn’t an opportunity to address your question, you are welcome to follow-up directly with the presenters.

Speakers



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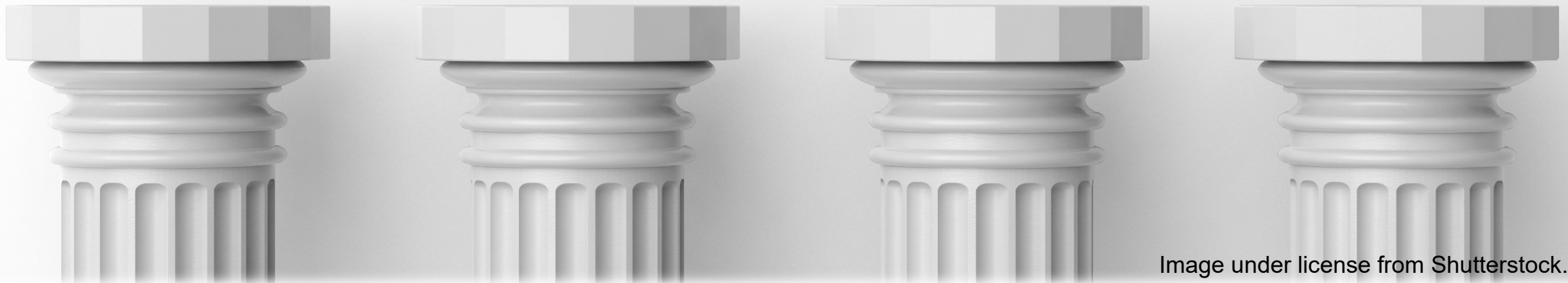


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Why did we pick this topic?

During our careers as strategic and accounting advisors, we see hundreds of companies every year

- **Among us, we've seen thousands of companies over many decades**
- **While there might be differing visions and plans, there's a commonality among companies' successes**
- **This provides a framework for identifying successful attributes**
- **We know what healthy organizations look like**
- **We focus all of our work on helping our clients create value in their businesses**



Pillar one: Finance Team Investment

- **What's a solid finance team look like?**
- **A good controller/CFO will be a profit center; one that needs improvement, a cost center**
 - Create and maintain KPIs and metrics
 - Provide timely reporting
 - Forecast/budget to have goals to work toward
 - Also run scenarios to test assumptions
 - Provide cross-functional advice to understand the numbers and provide advice
- **Difference between a Controller and a CFO?**
 - Red flags to look for in your team
- **What's the cost of a good team?**



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Pillar two: Reporting systems and data analytics

- **Too many companies use the low cost option for reporting at the expense of tracking key metrics**
- **Successful food and beverage companies are using powerful data analytics**
- **Key performance indicators and benchmarks help you to zero in on important business objectives**
- **These metrics allow for companies to :**
 - **Track sales by customers, geographic areas, gross profit, by product line**
 - **Track product movement, by customer history, track fast and slowest moving, geographic areas**
 - **Keep better track of expense analytics, especially labor costs, increasing freight costs and other rising expenses due to inflation**



Pillar two: Reporting systems and data analytics (Cont.)

- **Best KPIs and Benchmarks for Food and Beverage Manufacturers**
 - **Operating Margin**
 - **Unplanned Downtime**
 - **Preventive Maintenance Completion**
 - **Throughput**
 - **Yield**
 - **Inventory Turnover**
 - **Fill Rate**
 - **Distribution Cost as a Percent of Revenue**
 - **Days Sales Outstanding**
 - **IT Spend as a Percent of Revenue**
 - **Margin/Customer**
 - **Margin/Channel**
 - **Many Others**

Pillar three: Lack of strategic plan (or weak one)

- **Successful food and beverage companies develop and follow strong strategic plans**
 - Long-term vision with short-term action steps and goals
- **Develop a 3-5 year vision in order to be quick and agile**
 - Know and identify your barriers



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Successful Strategies for the Food Industry

- **What customer set are you addressing?**
- **Wholesale businesses:**
 - What is a good customer?
 - What is a bad customer?
 - How might you measure quality?
 - Margins
 - Repeatability
 - Do they pay on time?
 - Do you care how they interact with your organization/team members?
 - How are you identifying your customer set and what marketing strategies are you using to address their needs?

Successful Strategies for the Food Industry

- **For retail businesses:**
 - **Be socially active**
 - Brands share their best offers on food, and food bloggers are all over the social platforms circulating their experiences online
 - **What's your Direct to Consumer strategy?**
 - Create a professional-looking website
 - **Be creative with alternative methods of introducing your brand**
 - **Optimize your trade spend/promotions and focus on ROI**
 - **Have a retail execution plan - You need to develop a plan and keep changing it as the market changes. You should know your target audience and competition**
 - **Keep changing-The food and beverage market is constantly growing and responding to consumer's interest. Trends, like health beverages or energy drinks, come and go. You should develop opportunities for customer engagement**



Successful Strategies for the Food Industry

- **What to do after the strategic plan has been created?**
 - Don't put it on the shelf and never look at it again
 - Create action steps as tactics to execute on the plan
 - Keep looking at the strategy and ask about its relevance with changing conditions
 - The very best plan for “war” changes the moment you begin to execute
 - Others get a say in what you're doing
 - The world also changes
 - Don't shortcut
 - The end is the goal, but only the journey gets you there

Pillar four: Entire team buy in

- **What's your team look like? For middle market companies, a team should have:**
 - Sales/Marketing
 - Finance
 - Operations
- **What are the qualities of a great CEO?**
 - Delegates
 - Chief Strategy Officer/Visionary
 - Is self-aware and hews true to the culture
- **The team should be rowing in the same boat at the same speed**
- **Culture should be pervasive through the organization**
- **The three “Clarifys”**
 - Clarify expectations of the management team
 - Clarify these expectations around collaboration
 - Clarify decision making authority
- **Keep an open mind**



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What is missing? Any fifth pillar?

- **Surround yourself with excellent advisors**
 - They will offer perspective
 - They will hold you accountable
 - They will be your outside “kitchen cabinet”
- **Where do you find them?**
 - Trusted Advisors
 - Legal counsel
 - Accounting advice (assurance and tax)



What are the 5 things participants can do today based on this program?

- 1. Identify their key management team**
- 2. Decide on key strategic issues and keep focused on these issues going forward**
 - i. Incentivize performance on an individual and enterprise-wide basis**
- 3. Assess your dashboard reporting**
 - i. Establish 5-8 dashboard reporting operating metrics**
- 4. Meet regularly with your senior team**
 - i. Review last week's successes and challenges**
 - ii. Set goals for the coming week**
 - iii. Identify risks and opportunities**
- 5. Keep changing-The food and beverage market is constantly growing and responding to consumer's interest. Trends, like health beverages or energy drinks, come and go. You should develop opportunities for customer engagement**
- 6. Hold yourself accountable**

Questions?



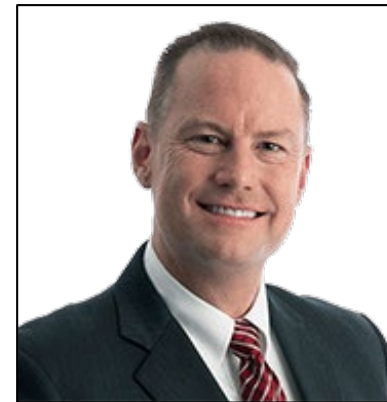
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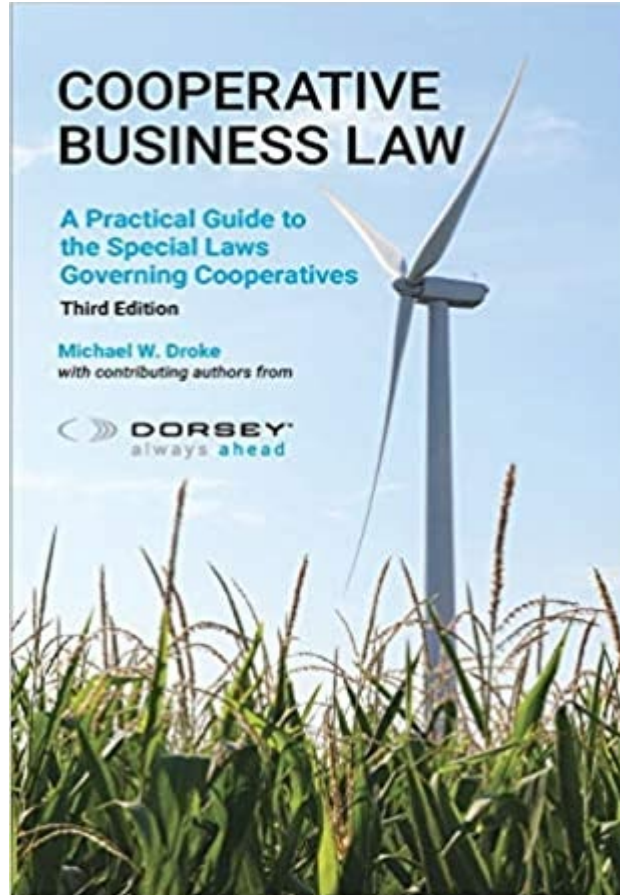
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Thank You for Joining Us!

**Please join us for our next
Interactive Dialogue!**



Michael W. Droke

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Mike started his career as a client, not a lawyer. He represented the same company where he worked in management, thus “walking both sides of the street.” As a lawyer, Mike had devoted his practice to practical, results-oriented advice and litigation representation in situations where the law, facts or business risks are ambiguous.

Mike’s practice is devoted to the areas of employment law, agriculture and cooperative law, and in the food and agriculture industries. He has litigated employment and labor issues across Washington and California and advised across the United States. Throughout his career, a substantial part of Mike’s practice has been representing agriculture and food-based companies. He acts as outside general counsel in that industry, handles corporate governance, and manages complicated domestic and international transactions.

On the business side, Mike developed Dorsey’s LegalMine Document Review Solution from concept to operation. He has also held leadership roles as Office Head for Seattle (where he negotiated a large office move, and the office was named one of Washington’s Best Workplaces) and as co-head of the Labor & Employment and other practice groups.



Derrick Coleman
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With more than 20 years business experience, **Derrick Coleman** is Managing Director and Practice Leader of GHJ Search and Staffing, GHJ's recruiting division. Search and Staffing specializes in the placement of accounting and finance professionals into temporary and permanent positions across a broad range of industries. His clients include many of the top organizations across Los Angeles County.

Derrick's responsibilities include managing a fast-paced, successful accounting and finance recruiting branch, developing new business, supporting existing clients and managing the inside staffing and recruitment teams.

Clients and candidates appreciate Derrick's ability to effectively communicate the needs of stakeholders and recommend creative staffing solutions. He is known for his dedication to customer service, ability to build longstanding relationships and experience in establishing effective business partnerships.

Derrick also serves as Catalyst for GHJ Foundation's board of directors and is a Finance Committee Member for the Downtown Women's Center. Additionally, Derrick currently leads GHJ's BIPOC Cohort, the Firm's Employee Resource Group focused on advancing the careers of professionals who are black, indigenous and people of color in the accounting profession.

Derrick also serves as a strategic advisor and board member to Godiss Love, a nonprofit organization with a mission to create lasting solutions for girls through empowerment and education.

In 2022, Derrick was featured as a visionary honoree in *Los Angeles Times' Diversity, Equity, Inclusion and Accessibility Magazine* for the Company Executive category. Derrick's personal interests include family, cooking and travel.



David Horwich

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David Horwich has worked as an investment banker and advisor to both public and privately held businesses for over 30 years. David provides his clients with a focused, integrative and transparent approach. David has advised clients in all facets of transactional activity, including raising capital and buying and selling their businesses. Over the course of his career he has analyzed thousands of companies of various sizes and industries. Previously as a banker, David worked with middle-market companies that were undergoing capital events, such as an initial public offering (“IPO”), a private placement of capital or follow-on offerings and representing both buyers and sellers of companies. He chaired the Fairness Opinion Committee at Van Kasper & Co.

David holds an MBA from the University of California, Berkeley, where he served as vice president of his class. David also holds a Bachelor of Arts in economics from the University of California, San Diego. With a diverse range of destinations from Paris to Dodger Stadium, David actively travels, often enjoying a scotch whiskey along the way.



Donald Snyder

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Donald Snyder, CPA, has more than 30 years of experience in public accounting and is GHJ's Food and Beverage Practice Leader. He provides audit, accounting and advisory services to clients in numerous industries, including food and beverage, restaurant, manufacturing, wholesale/distribution and technology.

As GHJ's Food and Beverage Practice leader, Donald is a well-known business advisor in the food distribution, food processing and manufacturing industries. As a popular industry speaker, Donald hosts a number of food and beverage networking groups and also writes for GHJ's *CPA Food Bites* blog and is a co-author on GHJ's food and beverage whitepapers.

Donald is involved in assisting clients with designing and assessing their internal accounting controls and has been a frequent lecturer in this area. He has also written several articles on the subject of fraud prevention and detection in the workplace. Donald is an active member of the Provisors Networking Group and leads the Food Affinity Chapter. Currently, he serves on the Board of Directors for the Builders of Jewish Education and Temple Beth Am.

Donald holds a Bachelor of Science degree in Administration with an emphasis in Accounting from the University of Colorado. He is a member of the California Society of Certified Public Accountants and the American Institute of CPAs. Donald has two grown children, is a competitive master swimmer and lives in Westwood with his wife.

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