

MIND DUMP

CORPORATE REPORT

COMPREHENSIVE EXECUTIVE FINANCIAL PERFORMANCE REPORT

2020 // PREPARED BY
For business owners who want a
thorough analysis of their financials



MINDDUMPINC.COM

Comprehensive Executive Financial Performance Report

VALUE PROPOSITION

INTRODUCTION

Navigating your way out of the recent events that have never happened before is going to be a little tricky,

How do you compare this year to last year?

You can't. So what do you compare it to? That is only the beginning of the tricky part.

Continuing to deliver a business-as-usual

strategy or reacting after the fact to get your business back to normal probably isn't the right approach.



Your time is limited

Often financials are ignored because it takes too much time to interpret.

What should you do?

To eliminate bad surprises you must apply a proactive accurate strategic approach.

Where does your business stand financially?

- What numbers matter most?
- Which (KPI;s) are most important?
- How long will your cash last?
- What can you do to improve your revenue, profit, net income, productivity and efficiency?

MIND DUMP SOLUTION

We take a fresh look at your numbers. Conduct a thorough comprehensive financial analysis. Present our easy to understand conclusions and action steps you can take immediately to improve your financial health.



Critical numbers you must know Cash Flow, Profit, Liquidity, Debt, Break-even, Costs

CRITICAL NUMBERS YOU MUST KNOW

- Profitability
- Financial Activity
- Liquidity
- Debt Service
- Cash Flow
- Financial and non financial Key Performance
- Indicators

TRACKING KEY TRENDS

- What's the direction of the strong trends?
- What's the duration?

MONITORING BREAK-EVEN AND PROFITABILITY

When all expenses and overhead are covered you start to make a profit; what day of the month is that?

CONTROL COSTS

How can you eliminate, reduce, or delay costs?

UNDERSTANDING YOUR CASH FLOW

- Do you know how much cash flow you have?
- Where it is? How long it will last?

DRIVERS OF CASH FLOW

Do you understand where your cash is coming from and where it is going? How much time you've got before you hit a mission critical level?

DRIVER CHANGES REQUIRED TO ACHIEVE YOUR GOALS

Suppose your return on capital deployed is 9.74%; your goal is 16%. Do you know how which drivers to change to close the gap.

TRACKING BUSINESS UNITS

If you have multiple business units or locations; do you know the performance of the indicators in each location?



Sales; what you need to do to generate them effectively
 Working Capital; must be at peak efficiency

TOP LINE

Are you effectively generating sales and revenue?

- Total Revenue
- Revenue Change

PROFITABILITY

Are you making money?

- Gross Profit Margin
- Operating Profit Margin
- Expense-to-Revenue Ratio
- Revenue per employee ratio
- Break-even Margin of Safety

FINANCIAL ACTIVITY

How efficient is your working capital?

- Accounts Receivable Days
- Accounts Payable Days
- Inventory Days
- Cash Conversion Cycle

LIQUIDITY

Ratios help you understand how to get cash fast

RATIOS

Ratio analysis will provide you with a method for measuring the operating effectiveness of your company along with a good snapshot of the financial health of your business.

When properly utilized, ratio analysis can reveal strengths and weaknesses within the structure of a company.



Ratios

We'll explain how to use them to measure operating effectiveness and financial health

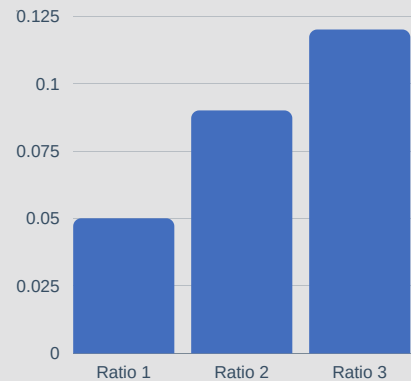
The two ratios referred to most often in business are the Quick and Current ratios

Quick Ratio

Your Quick Ratio determines the ability of your company to pay short-term liabilities from assets that can be quickly converted to cash.

The Quick Ratio is a variant of the current ratio. It takes into account the fact that inventory, while a current asset, is not as liquid as cash or accounts receivable.

Quick Ratio = your firm's ability to pay liabilities due in 1 year



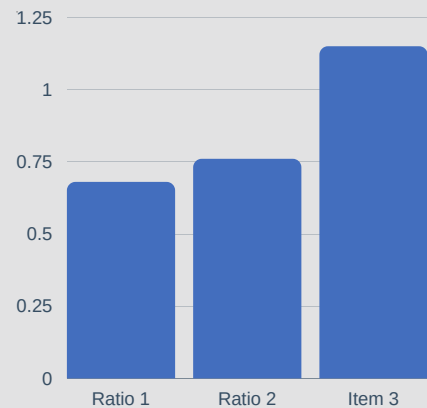
Current Ratio

Current ratio compares your companies current assets that can be converted to cash in 1 year to current liabilities. due in 1 year.

Current ratio is a rough indication of your company's ability to pay its debts. The higher the ratio, the greater the "cushion" between your firm's current obligations and your ability to pay them.

The composition and quality of current assets is a critical factor in the analysis of your firms' liquidity

Current Ratio = your firm's liquidity



MIND DUMP COMMITMENT

MIND DUMP won't give you a bunch of numbers, run for the hills, and let you figure out what they mean

We realize you don't have time to try to figure out and interpret technical reports that are not your area of expertise,

We are committed to explain your financials until you feel you understand.



Cash flow

We'll tell you if you have enough and how long will it last

DEBT SERVICE

Can you pay the money you owe to companies?

- Debt-to-Equity ratio
- Interest Cover

CASH FLOW

What cash is generated or absorbed by your business?

- Cash on Hand
- Operating cash flow
- Free Cash Flow
- Net Cash Flow
- Net Variable Cash Flow

LEADING INDICATORS

Is your business is vulnerable to a downturn? If it is it will be important to track the lead indicators which influence revenue.

Leading indicators are typically input oriented, hard to measure and easy to influence.

- Sales calls (or meetings)
- Pipeline value (\$)
- Bookings
- Proposals
- # of deals won (or # of deals lost)
- # of units sold
- Conversion %
- # New Website visitors
- # New Customers
- Customer Churn rate
- Number of delayed projects

It is also important to track lagging indicators



You've worked hard for
your money

Keeping your eye on it
has never been more
important



Costs

We'll help you understand and control them

CONTROLLING COSTS

Reduce and delay costs where possible

How can you control cost?

- Major business expenses
- Significant non-essential expenses
- Fixed and variable expenses

UNDERSTANDING YOUR CASH FLOW

Net profit or net income are not cash flow

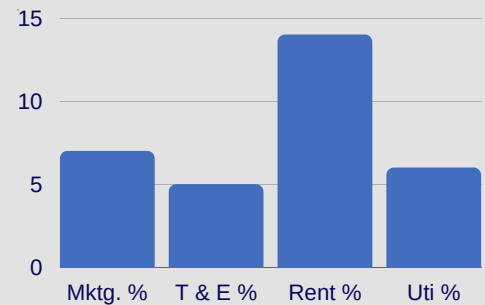
- What have you done with your cash?
- Do you know how much cash you have?
- Do you know how long it will last?
- Is your business generating or absorbing cash?
- Where is your cash sourced from?
- Do you reconcile revenue to the bank balance?
- Are cash flows diminishing?
- Is cash flow sustainable?
- Is cash flow subject to fluctuations?

DRIVERS OF CASH FLOW

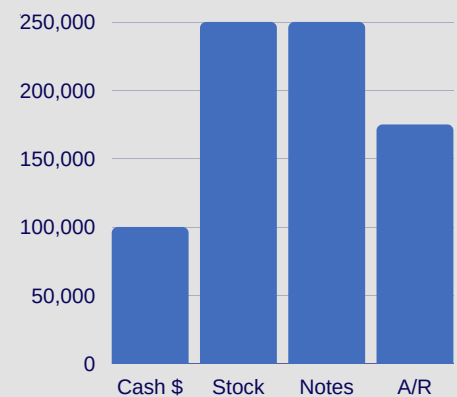
Recovering from recent economic events requires detailed knowledge of your cash flow

- Drivers of cash flow
- Drivers of working capital
- Cash Conversion Cycle
- Accounts Receivable Days
- Accounts Payable Days
- Inventory Days

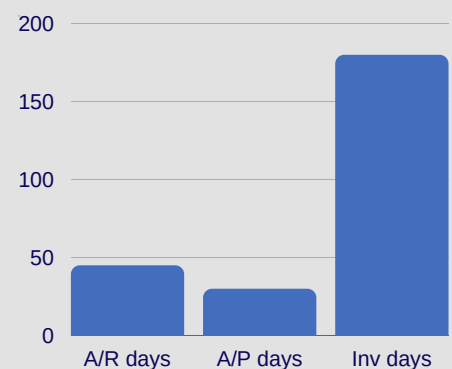
Four expenses to improve



Four sources of cash within 1 year



Three Ways to improve cash flow



Indicators

We'll tell you when to focus on proactive and reactive indicators

LAGGING INDICATORS

Reactive; Making corrections based on the past

LEADING INDICATORS

Proactive; Making corrections based on the future

Key Performance Indicators? (KPI's)

LEADING KPI's

- Causes
- Early warning
- Mainly non-financial
- To predict change and future outcomes

LAGGING KPI's

- Effects
- Historical
- Mainly Financial
- Scorecard

TRACKING KEY TRENDS

Trends help you know when you have reached a turning point in the recovery of your business

- Key trend analysis
- Components of trend analysis
- Revenue trend from inception
- Customer Inquiries vs Sales
- Staff Costs vs Revenue
- Year-on-Year profitability
- Operating, Gross, EBIT & Net Profit margins
- Monthly % change in Operating, Gross, Net Profit
- Operating, Free & Net Cash Flow chart
- Accounts Receivable Days vs Target
- Quick Ratio vs Target
- Interest Cover vs Target



Ratios vs Dollars vs Percentages

We'll explain how to balance them to achieve performance

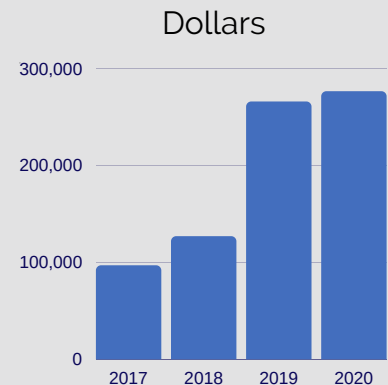
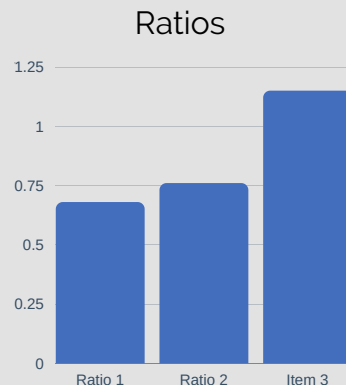
The path to financial success is not a straight line

There are a lot of twists and turns before you reach your final destination



To understand your financials, it's important to compare ratios, percentages and dollars. Only looking at one component does not give you the full picture of your companies financial health.

Balance expenses, ratios and dollars for a complete picture of your financial health



Drivers

We explain what they are and how to improve them

HOW DO DRIVERS HELP YOU ACHIEVE YOUR GOALS?

All companies drivers are different and results vary

In this example improving drivers increased Net Profit by 5%

Improvements to drivers ultimately increases business owners income and stock holder value

1. Cost Of Goods Sold decreased by 2%
2. Gross profit increased by 4%
3. Expenses decreased by 3%

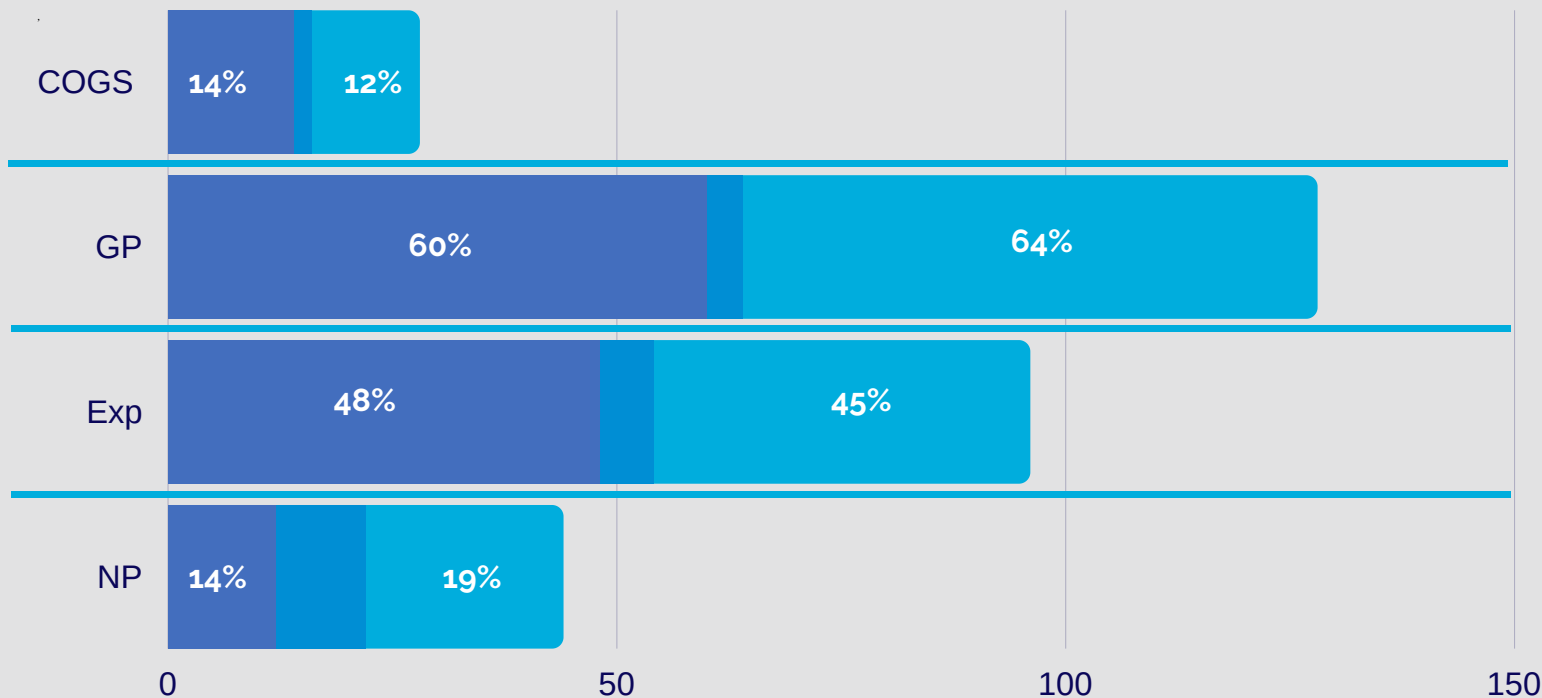
Driver; increasing productivity

Driver; increasing sales and productivity

Driver; controlling variable expenses

Result; Net Profit increased by 5%

BEFORE AFTER



Drivers

Profitability, Trends, Projections, Revenue

Drivers that affect your goals

Profitability metrics

- Gross profit
- Operating profit
- Net profit
- Cash Flow metrics
- Operating
- Free and Net Cash Flow

Key drivers

- Price
- Volume
- Variable costs
- Fixed Expenses
- Receivable Days
- Payable Days
- Inventory Days
- Action you can take to improve your drivers

Forward projection

- Trend charts
- Profit & Loss statements

Cumulative projection charts

- Actual
- Budget

Revenue

- Profitability
- Activity
- Efficiency
- Liquidity
- Debt servicing
- Cash flow

**It's not what you know
that causes bad surprises...
It's what you don't know**



Performance Reports for Multiple locations, divisions, companies, segments, profit centers

TRACKING MULTIPLE BUSINESS UNITS

We assess department performance for companies with multiple locations, profit centers, divisions or segments

- Business unit profitability
- Breakdown analysis
- Revenue
- Expenses
- Operating profit
- Operating cash flow
- Accounts payable days
- Accounts receivable
- Inventory days
- Variance allowance breakdown chart



Executive Summary

Snapshot of mission-critical issues, action steps, recommendations

MIND DUMP

Executive Summary

EXAMPLE

First

Your company should have a written business plan for 2020. It should be measurable and achievable

Second

There should be true budget and cash flow systems to assure that the minimum amount of money is required to reach the 2020 goals

Third

- Reassessment of all personnel
- Critical positions must have people who are capable of performing the necessary tasks
- Trained to work within the company's policies and procedures
- Standards of performance would be set
- Results would be examined and improvements made where necessary

Actions

Driver Volume

- Increase morale to increase productivity
- Narrow price gap with competitors

KPI performance

- See your alerts dashboard

Corrective Actions

- Set standards of performance
- Update accounting software

OBSERVATIONS

Total Revenue

- \$102,589,000.00 Positive Trend Upward. Your company is consistently increasing the revenue stream even during this difficult economic downturn

Profitability

- 86% Gross Margin is consistently outperforming your industry. Your control of COGS is solid and results in a strong profit percentage before expenses

Expense 58%

- Your expenses are too high compared to the rest of your industry. This seems to be caused by the lack of a forceful and focused direction.

Low productivity and efficiency

- There have been many changes in personnel and the current employees show little excitement about their daily activities. The lack of timely, accurate information available within this company makes it difficult to implement meaningful incentives. Low morale = low productivity



Value Proposition

The MIND DUMP C.E.F.P.R. is a user interface experience that enables you to clearly understand what is causing problems and how to fix them

MIND DUMP ensures every step forward is not weighed down by missed insights or miscommunication

Wrong information causes bad decisions. Bad decisions can cause the downfall of your business.

It is imperative you have regular communication about your financials with your key business stakeholders; team members, investors, board members, lenders, and shareholders.

The C.E.F.P.R. is easy to understand. An important financial tool to accelerate your company to the next level.



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Contents

Comprehensive Executive Financial Performance Report

KPI RESULTS

- Profitability
- Total Revenue
- Gross Profit Margin
- Operating Profit Margin
- Activity
- Accounts Receivable Days
- Accounts Payable Days
- Efficiency
- Return on Assets
- Return on Capital Employed
- Liquidity
- Quick Ratio
- Current Ratio
- Cash Flow
- Cash Flow Margin
- Operating Cash Flow
- Free Cash Flow
- Net Cash Flow
- Cash on Hand
- Gearing
- Debt to Equity
- Debt to Total Assets
- Growth
- Revenue Growth
- Gross Profit Growth
- EBIT Growth
- Customer
- Avg sales per transaction
- Avg sales per customer
- New Customers
- Lost Customers

REPORTS

- Monthly performance
- Quarterly performance
- Annual performance
- KPI Analysis
- Revenue Analysis
- Profitability Analysis
- Cash Analysis

VARIANCE REPORTS

- This month vs budget 2+
- This month vs last month 2+
- This quarter vs last quarter 2+
- This year vs last year 2+
- Rolling 12 months vs last year 2+

TOTAL REPORT PAGES 72+

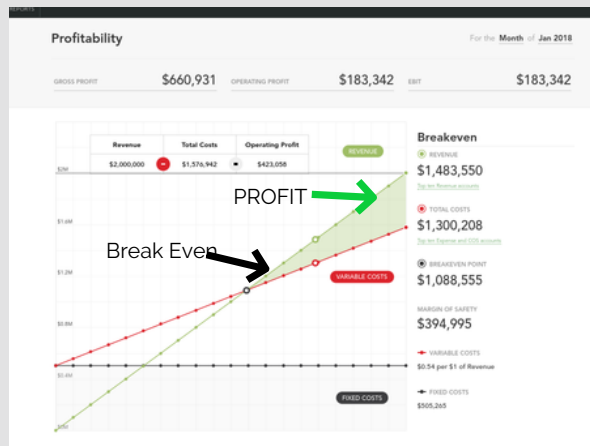
PAGES

ALERTS

- Total Revenue is less than
- Gross Profit Margin % is less than
- Operating Profit Margin % is less than
- Profitability % is less than
- Net Profit After Tax % is less than
- Breakeven Safety Margin is less than
- Accounts Receivable Days exceed
- Inventory Days exceed
- Work in Progress Days exceed
- Accounts Payable Days are less than
- Cash Conversion Cycle exceeds
- Debt-to-Equity exceeds
- Current Ratio is less than
- Quick Ratio is less than
- Interest Cover is less than
- Cash & Equivalents are less than
- Total Free Cash Flow is less than
- Net Variable Cash Flow is less than
- Return on Capital Employed is less than

Example Break Even Chart

We will help you understand what day of the month your company starts to make money.



BENCHMARK REPORTS

- Multiple companies
- Compared to your industry
- Consolidated

Additional reports available

SPREADSHEET REPORTS

- Financial Results
- KPI Results
- **Forward Projections
- Detailed financial variance
- **Budget

**These reports are dependent on availability from your existing financials. We can build them for you if you have not created them yet

