



What's Next - WHEN THE Economy REOPENS





HOW WILL YOU REOPEN? SAFETY



Masks



Gloves



Face Shields & Other PPE



First Aid Equipment



Temperature Checks



HOW WILL YOU REOPEN? WORK CONDITIONS



Seating Arrangement



Partitions?



Split-Shifts?



Multi-State Operations



HOW WILL YOU REOPEN? SOCIAL DISTANCING



Conference Room



Breaks and Lunch



Coffee, Kitchen and Cafeteria



Visitors



Mail & Packages



WHAT WILL YOU DO? SCENARIOS

- ✓ Employees with COVID
- ✓ Employees with Symptoms
- ✓ Employees who Complain
- ✓ Employees who Request Accommodation or Work from Home
- ✓ Employees with At-Risk Age or Conditions



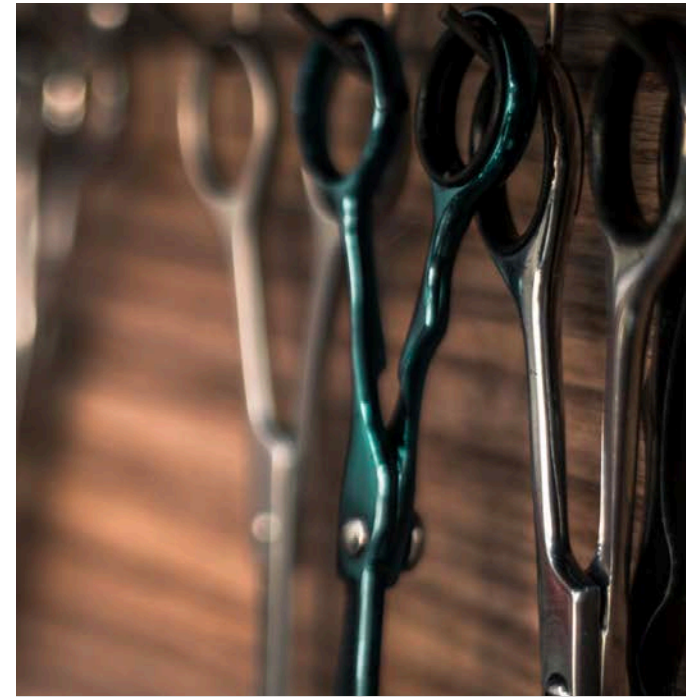
Top 10 Tips For Leading Through A Crisis



**Lead - Don't
Panic – Steady
at the Wheel**



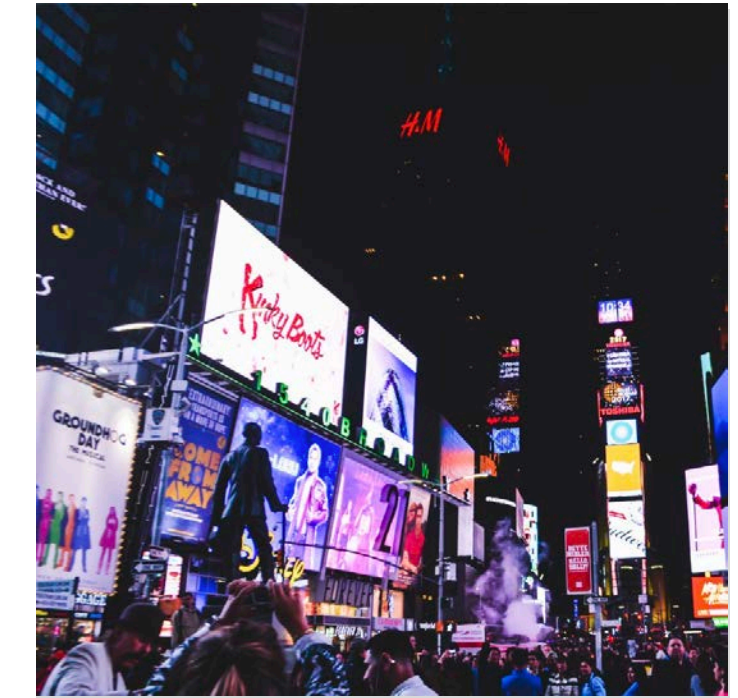
Cash is King



**If You Need To
Cut, Cut Early
And Cut Deep –
Do It Once**



**Stay Close to
Your Key
Relationships**



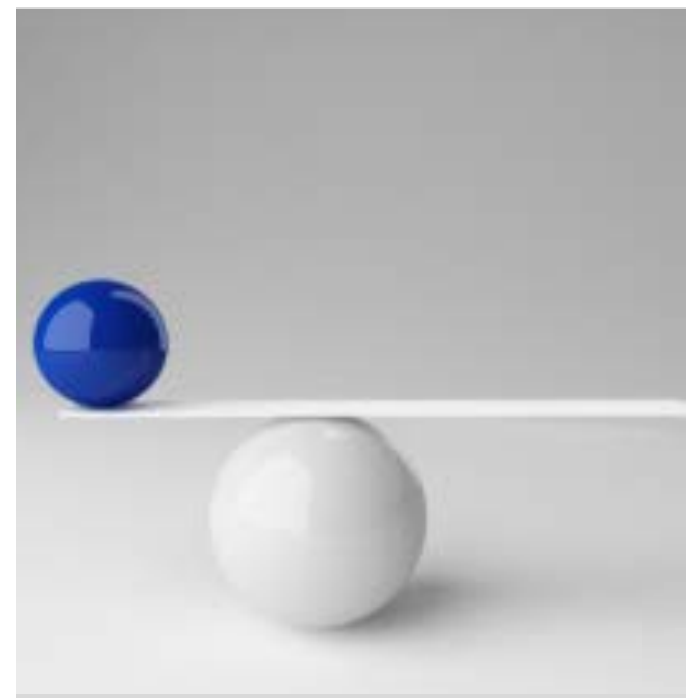
**Don't Stop
Marketing**



**There's
Opportunity in
Adversity**



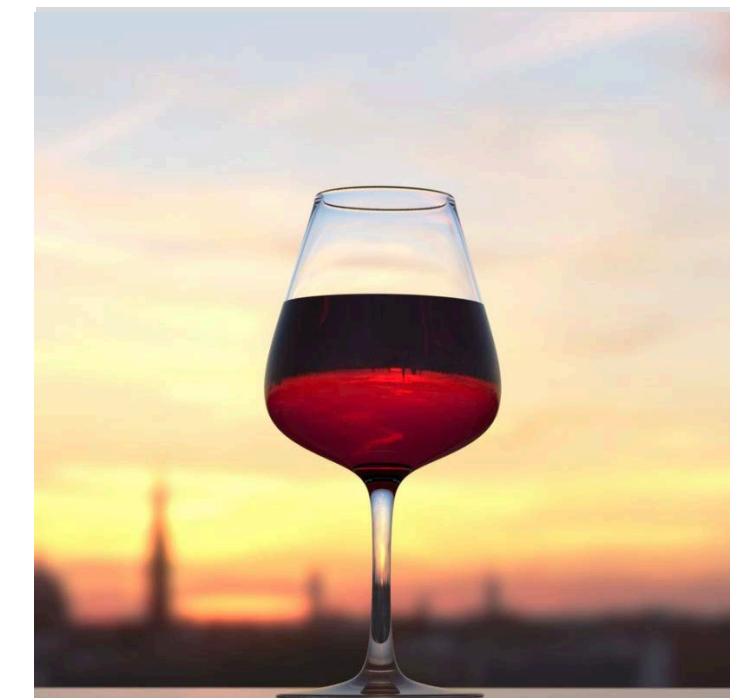
**Focus On What
You Can Control**



**Don't Take
Asymmetric Or
Death Line Risk**



**Have Your
Advisors
Challenge Your
Assumptions**



**Keep A Good
Attitude**



PIVOT & THRIVE



PIVOT | NOW



Revisit the Sales Strategy

- **Roadmap:** Sales Assumptions
- **Plan:** Target products and ideal customer profile
- **Playbook:** Activities and “script” that drives results



Leverage Core Competencies

- Regardless of key product, what am I good at?



Contact Key Relationships

- Suppliers, Customers, Friendly Competitors
- Collect Market Intel



Monitor Competitor Actions

- Over or under-reacting?
- Underperforming?

IN THE MIDDLE OF
DIFFICULTY LIES
OPPORTUNITY

ALBERT EINSTEIN

SPOTLIGHT SALES PIVOT

Kerry Siggins

President & CEO StoneAge Tools
YPO Colorado, WBN Member

- Industrial Water-Jet Equipment Manufacturer
- Customers' CapEx budgets were frozen by COVID but had OpEx budgets
- Shifted inventory to a "Rental Fleet" to maintain revenue
- Also re-engineered nozzles to carry disinfectants



StoneAge Waterblast Tools

3,890 followers

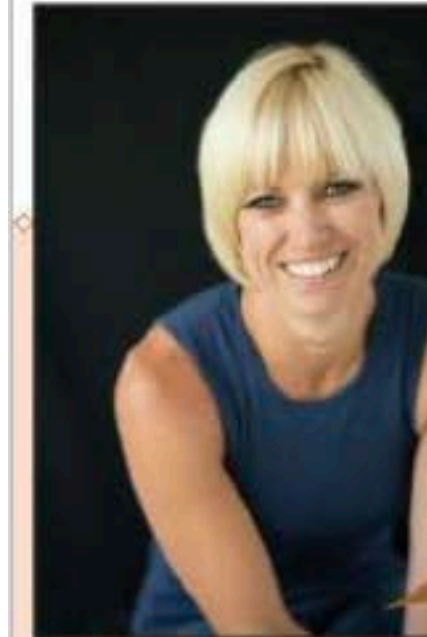
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+ Follow

Lady Boss

"Q: You were a young female stepping into a big leadership role when you became CEO of StoneAge, what was that like? "

...see more



Lady Boss

CEO OF STONEAGE TALKS ABOUT MOVING FORWARD, UPWARD, AND BALANCING IT ALL.

KERRY SIGGINS
CEO, StoneAge Inc.



A: How important it is to say no. I love being involved in the community and I am frequently asked to be part of organizations, boards, etc. I hate saying no but because I have overextended myself in the past, I made the commitment to say no more often. I can't be a great mom and a great CEO if I don't have time to be present, think, and take care of myself, my family and my company. I learned what happens when my calendar is overflowing the hard way...I become sick, tired and resentful. I trust that I'll be able to give back more in the next decade of my life and believe that I am doing my part to keep our community vibrant by creating great jobs in Durango and beyond.

Q: You were a young female stepping into a big leadership role when you became CEO of StoneAge, what was that like?

A: It was exciting and terrifying at the same time. Exhilarating is probably the right word. I was so grateful for the opportunity and wanted so badly to knock it out of the park, but I also knew that I was inexperienced and had no idea how to run a company. I was anxious that I would fail but since failure has never been an option for me, I rolled up my sleeves and dove into learning the company, the industry and how to be a CEO. The hard work paid off; I built trust with the founders, my team, our employees and customers which allowed me to lead the company through a decade of growth. I believe that we have so many opportunities ahead of us that the next decade won't be any different.

Q: What have been some of your biggest accomplishments over those years?

A: My biggest accomplishment is being a working mom. There is nothing more humbling than raising a child; it's a mighty responsibility. I believe that, together with my husband, our priority is to raise our son to be a kind, compassionate, hardworking, accountable man who can articulately express himself and who will positively impact the world. This takes intentional effort and I sometimes worry that the weight and responsibility of my job overshadows my effect as a mother. But I am also proud that he has learned that men and women play equal roles in co-creating careers and marriage. He sees how my husband supports my career and I, his. His experience will shape his views on what the family-unit can be like, which I hope will lead to positive relationships in his life.

Q: As a kid, what did you want to be when you grew up?

A: Funny, I don't remember. I know it wasn't to be a CEO, even though I am doing exactly what I was put on this planet to do.

Q: What's one of the biggest lessons you've learned as a female leader of a locally loved and successful company?

Q: What work are you most proud of with StoneAge?

A: I am most proud that we are an employee-owned company; all our employees get to share in our success which is fairly uncommon. It's a truly great ownership model that allows for transfer of wealth to a broad group of employee-owners. It also helps us build a unique, inclusive culture. We all take our commitment seriously, working hard to be good stewards of the company by being great teammates and taking care of our customers.

Q: There are always rough times--what have you done to help pick yourself back up during those times?

A: I am a big believer in accountability. I am also a big believer in forgiving and moving on. When times have been rough, I own my part in the situation, assess what happened so I can learn from it, and then let it go. I don't like to wallow in self-pity or negativity so I look for the lesson and then move forward with the belief that no matter what happens, I have the strength and confidence to persevere. I also make sure that I am doing all that I can to reduce my stress. I exercise, eat healthy, meditate, get massages, and talk to my mom...which always makes me feel better.

Q: What advice would you give to anyone who may be struggling towards a goal/idea?

A: Keep at it. None of us are successful right off the bat. Getting good at something and achieving hard goals takes a lot of work. Don't be afraid to do the work. You might not end up where you thought you would, but you will learn along the way and can always be proud that you gave it your all, even if the end result looks very different.

To learn more visit:
www.stoneagetools.com

Access to Personal Protective Equipment has been one of the biggest hurdles that not one could have imagined. During these trying times, we at Waste2Wear are stepping up. Our expertise in textile engineering, ...see more



Waste2Wear utilises its complete value chain to increase supply of protective masks and protection wear

waste2wear.com

SPOTLIGHT SALES PIVOT

Monique Maissan
President & CEO Waste2Wear
Shanghai

- Manufacturer of textiles and bags from reused plastic
- \$13M order from Lululemon on hold
- Shifted entire supply chain and production line to PPE
- Selling \$500K - \$1M per week

SPOTLIGHT SALES PIVOT

David Thornhill

President Integrated Textile Services
YPO Southern 7 (Virginia)

- Traditional Textile Cut & Sew
- Reached out to key relationships and found opportunities to pivot from military to health care
- Has sold millions of units of N95 masks, hospital gowns and other medical attire



PLASTIC FACE SHIELD

Essential Products

Safety, Security, And Prevention

\$1.80

Price Per Piece

Pre-Paid

Made In America 5-7 Business Days

Item#: H336

Plastic Face Shield

Made Of Food Grade Clear Plastic

This shield provides a barrier directly in front of one's face. Can be used in combination with respirators, goggles and other protective Gear.

Practical Uses:

- Food Service And Drive Through
- Grocery Stores And Food Delivery
- Retail Stores And Point Of Purchases
- Mail Handlers And Package Deliveries

Features

- Light Weight Design
- Ventilated Design Reduces Fogging
- Made Of Food Grade Plastic
- Adjustable Adult Size
- Sold Blank In Sets of 100pcs



SPOTLIGHT SALES PIVOT

Dan Oas

President & CEO High Caliber Line
YPO Gold Pacific US

- Traditional Promo Products Company
- Leaned on core competency as an expert sourcing large quantities of products from around the world
- Pivoted to “blank” products and has sold millions of units of masks, face shields, sanitizer and other PPE

THRIVE | AFTER



STAY ON TOP OF KEY RELATIONSHIPS



Look for Market Share Gains from Underperforming Competitors



Seek M&A Opportunities

“

Failure is simply the opportunity to begin again, this time more intelligently.

HENRY FORD



CEO COACHING™
international

MAXIMIZING PPP LOAN FORGIVENESS



AGENDA

MAXIMIZING PPP LOAN FORGIVENESS



Forgivable Uses of PPP Loan



Reduction to Forgiveness: Staff Reductions, Pay Cuts



Tracking Forgivable Use of Funds



Record Keeping/Expected Documentation



Mechanics of Applying for Forgiveness



A low-angle, black and white photograph of several skyscrapers reaching towards the sky, creating a sense of height and scale. The buildings are modern with glass facades.

PPP LOAN PROCEEDS

FORGIVABLE USES



Payroll Costs (must be 75% or greater of loan proceeds)

- **Wages:** Employee wages, commissions, tips, vacation, sick pay, limited to \$100,000 per employee prorated for the covered period
- **Health Care:** Employer-provided group health care benefits
- **Retirement:** Employer-provided retirement payments
- **State and Local Taxes:** state and local employer payroll taxes paid



Non-Payroll Costs (must be 25% or less of loan proceeds)

- **Mortgage interest** on obligations that existed before February 15, 2020, not including principal nor prepayments
- **Rent** under lease agreements in force before February 15, 2020
- **Utilities** for which service began before February 15, 2020, including: electricity, gas, water, telephone, Internet access, and transportation

PPP LOANS

REDUCTIONS TO FORGIVENESS

PPP Loan Forgiveness will be reduced for:



Staff Reductions

In proportion to the decrease in the average monthly full-time-equivalent employees ("FTEE") during the Covered Period as compared to a reference period



Pay Cuts

Dollar-for-dollar for the amount of reduction in excess of 25% of the total salary and wages of any employee during the Covered Period as compared to a reference period.

REDUCTIONS TO FORGIVENESS

STAFF REDUCTIONS

$$\text{Actual Loan Forgiveness} = \text{Gross Loan Forgiveness} \times \frac{\text{Avg. FTEs During Covered Period}}{\text{Avg. FTEs During Reference Period}}$$

Divide the average monthly number of FTEs that the borrower has during the Covered Period *by the lower of:*

- **Reference Period 1:** the period from February 15, 2019, to June 30, 2019, or
- **Reference Period 2:** the period from January 1, 2020, until February 29, 2020

Covered Period: 8-week period following the disbursement of the loan

FTEs: The staff reduction adjustment uses FTEs, not specific individuals. Firing, hiring, or replacing employees does not factor into the calculation



EXAMPLE

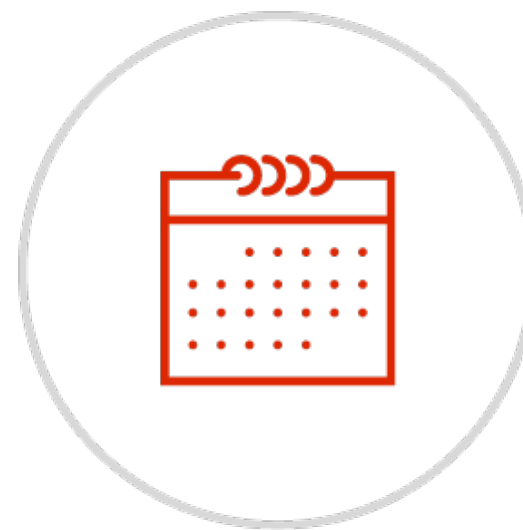
STAFF REDUCTIONS

Period		Average Monthly FTEs			
8-week Covered Period		180			
Reference Period 1: February 15, 2019, to June 30, 2019		230			
Reference Period 2: January 1, 2020, until February 29, 2020		245			Pick smaller number.
	Forgiveness Impact=	Ave Monthly FTEs over 8-week Covered Period			
		Ave Monthly FTEs over Reference Period			
	Forgiveness Impact=	180			
		230	=	78.3%	Want this as close to 100% as possible.
	Loan Forgiveness =	Gross Loan Forgiveness	X		Forgiveness Impact
	\$ 1,346,058.06	\$1,719,963.08	X		78.3%



STAFF REDUCTIONS

REHIRING EMPLOYEES



Minimize the forgiveness reduction if:

- **Rehire staff** by June 30, 2020
- For staff reductions that occurred between February 15, 2020, and April 26, 2020

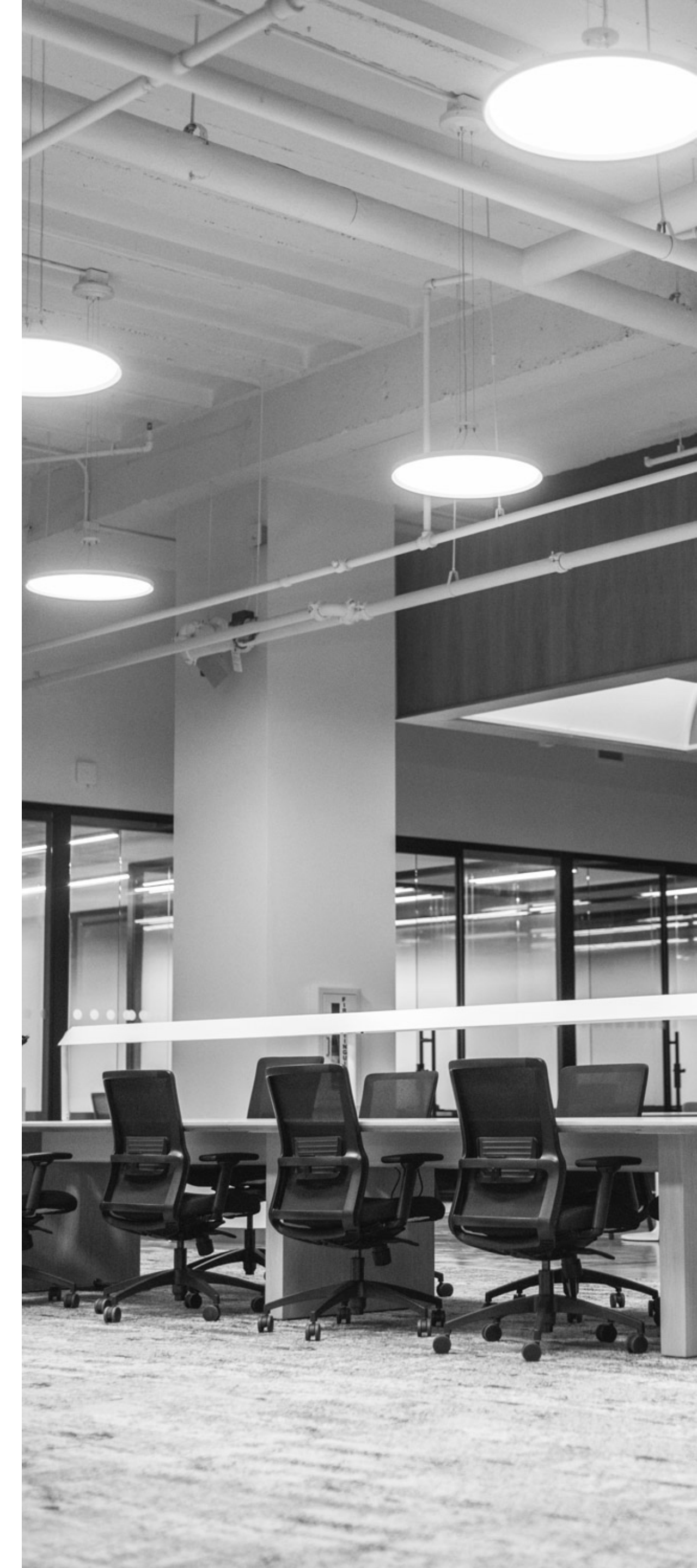


Practically speaking, rehires should take place prior to or near the beginning of the 8-week Covered Period to have their payroll costs forgiven and to have a chance at satisfying the 75%/25% expense ratio for pay-roll to non-payroll expense requirement

PAY CUTS

REDUCTIONS TO FORGIVENESS

- **Exclusion:** All employees who made more than \$100,000 in 2019
- **Amount:** Forgiveness is reduced dollar-for-dollar by the amount of any reduction in total salary or wages of any employee during the Covered Period that is in excess of 25% compared to the Reference Period
- **Reference Period:** the most recent quarter that the employee was employed before the Covered Period
- **Person-by-person comparison:** Unlike the staff reduction adjustment, which is based on FTEEs; this reduction looks at specific employees for whom the borrower has reduced pay
- **Reinstating Salaries:** Salaries can be increased to within the 25% limit by June 30, 2020, to eliminate the forgiveness reduction



EXAMPLE

PAY CUTS

Pay Cut	30%				
Employee	Reference Salary*	New Salary (After Cut)	25% Hurdle	Forgiveness Impact	
Jane	\$ 130,000	\$ 91,000	NA	\$ -	
Frank	\$ 95,000	\$ 66,500	\$ 71,250	\$ 4,750	
Bill	\$ 70,000	\$ 49,000	\$ 52,500	\$ 3,500	
Sue	\$ 85,000	\$ 59,500	\$ 63,750	\$ 4,250	
		Forgiveness Reduction		\$ 12,500	dollar-for-dollar reduction
*Reference salary is average salary during the most recent quarter that the employee was employed before the Covered Period					

BEST PRACTICES

TRACKING FORGIVABLE USE OF FUNDS



Separate Bank Account: Open a new bank account to manage loan proceeds

- Prevent co-mingling of funds
- Provide audit trail



Maximize spend during Covered Period

Act as if no amounts paid outside of the covered period will be forgiven

EXAMPLE

TRACKING FORGIVABLE
USE OF FUNDS

Load Disbursement Date	4/27/2020								6/21/2020	End of Forgiveness Period	
									Total PPP Loan Amount	\$ 2,000,000.00	
Expense Item	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Total	Percentage	
Payroll											
Wages (capped @ \$100k per employee)	\$ 173,076.92	\$ 173,076.92	\$ 173,076.92	\$ 173,076.92	\$ 173,076.92	\$ 173,076.92	\$ 173,076.92	\$ 173,076.92	\$ 173,076.92	\$ 1,384,615.38	
Group Health Care Benefits	\$ 8,653.85	\$ 8,653.85	\$ 8,653.85	\$ 8,653.85	\$ 8,653.85	\$ 8,653.85	\$ 8,653.85	\$ 8,653.85	\$ 8,653.85	\$ 69,230.77	
Retirement Payments	\$ 6,923.08	\$ 6,923.08	\$ 6,923.08	\$ 6,923.08	\$ 6,923.08	\$ 6,923.08	\$ 6,923.08	\$ 6,923.08	\$ 6,923.08	\$ 55,384.62	
State & Local Employer Payroll Taxes	\$ 3,461.54	\$ 3,461.54	\$ 3,461.54	\$ 3,461.54	\$ 3,461.54	\$ 3,461.54	\$ 3,461.54	\$ 3,461.54	\$ 3,461.54	\$ 27,692.31	
Total Payroll Expenses	\$ 192,115.38	\$ 192,115.38	\$ 192,115.38	\$ 192,115.38	\$ 192,115.38	\$ 192,115.38	\$ 192,115.38	\$ 192,115.38	\$ 192,115.38	\$ 1,536,923.08	89.36%
Non-Payroll											
Rent or Mortgage Interest	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 96,000.00	
Utilities	\$ 10,880.00	\$ 10,880.00	\$ 10,880.00	\$ 10,880.00	\$ 10,880.00	\$ 10,880.00	\$ 10,880.00	\$ 10,880.00	\$ 10,880.00	\$ 87,040.00	
Electricity	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 9,600.00	
Gas	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 4,800.00	
Water	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 660.00	\$ 5,280.00	
Telephone	\$ 3,420.00	\$ 3,420.00	\$ 3,420.00	\$ 3,420.00	\$ 3,420.00	\$ 3,420.00	\$ 3,420.00	\$ 3,420.00	\$ 3,420.00	\$ 27,360.00	
Internet Access	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 40,000.00	
Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Non-payroll Expenses	\$ 22,880.00	\$ 22,880.00	\$ 22,880.00	\$ 22,880.00	\$ 22,880.00	\$ 22,880.00	\$ 22,880.00	\$ 22,880.00	\$ 22,880.00	\$ 183,040.00	10.64%
Grand Total Forgivable Expenses	\$ 214,995.38	\$ 214,995.38	\$ 214,995.38	\$ 214,995.38	\$ 214,995.38	\$ 214,995.38	\$ 214,995.38	\$ 214,995.38	\$ 214,995.38	\$ 1,719,963.08	100.00%
									Gross Unforgivable Amount (unused)	\$ 280,036.92	
									Adjustment due to Staff Reduction	\$ 373,905.02	
									Adjustment due to Salary Reduction	\$ 12,500.00	
									Net Unforgivable Amount	\$ 666,441.94	

RECORD KEEPING

PROVING THE EXPENSES

- Payroll registers or ledgers
- State and local payroll tax payments from payroll reports
- Health insurance invoices and payments
- Payments for retirement amounts
- Support for rent expense: Lease and Cancelled checks, ACH or wire transfer evidence receipts
- Statements for interest paid on mortgage and debt obligations
- Utilities invoices



RECORD KEEPING

EMPLOYEE DATA

Staff Reduction Calculation: Maintain a headcount of all full and part-time employees on payroll to calculate the average number of FTEs per month during:

- The 8-week period beginning with the receipt of loan proceeds (numerator)
- The period covering 2/15/19 to 6/30/19 (denominator)
- The period covering 1/1/20 to 2/29/20 (alternate denominator)

Pay Cut Calculation: Carefully track payroll during:

- 8-Week Covered Period
- First quarter prior to Covered Period for all employees who earn \$100,000 or less annually in 2019





MECHANICS

HOW TO FILE FOR FORGIVENESS

When: As soon as practical after the Covered Period

Where: To the lender servicing your PPP loan

What: Application for loan forgiveness, which will likely include:

- Documentation verifying the number of **FTEEs** on payroll and pay rates for: the Covered Period and the applicable Reference Period, including:
 - Payroll tax filings reported to the IRS and
 - state income, payroll, and unemployment insurance filings
- Documentation, including canceled checks, payment receipts, transcripts of accounts, etc., verifying payments of mortgage obligations, lease obligations, and utilities
- A certification from the borrower that:
 - The documentation presented is true and correct; and
 - The amount for which forgiveness is requested was used to retain employees, make interest payments on a covered mortgage obligation, rent obligation, or utility payment
- Any other documentation the SBA determines necessary

Processing Time: The lender will have up to 60 days to issue a decision on the loan forgiveness application

DISCLAIMER

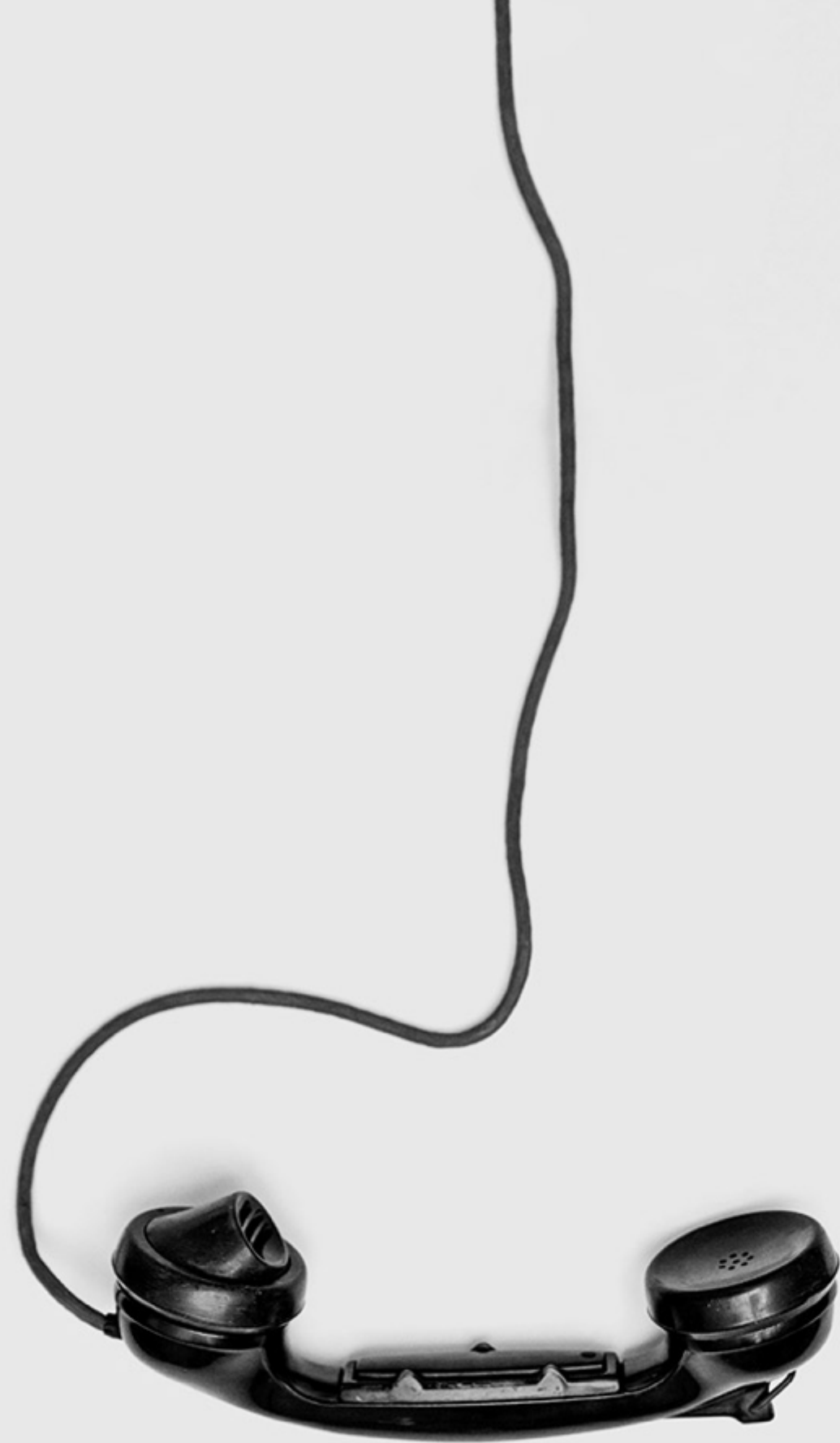
CONSULT YOUR LEGAL & ACCOUNTING ADVISORS

As of 4/27/2020, the SBA has focused on providing guidance on PPP loan eligibility and the application process.

Although loan forgiveness is central to the mission of the PPP, it is susceptible to borrower abuse. Therefore, we expect that the SBA will provide detailed guidance on the forgiveness process, including relevant calculations, limitations, clarifications, required documentation, etc.

CEO Coaching International is providing our interpretation of the guidance given by the SBA. Use at your own risk.

Nothing we present should take the place of professional legal and financial guidance by your trusted advisors.



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