

Commercial Insights

STRATEGIES AND EXPERTISE FOR YOUR COMPANY

Summer
2019



2 Enhance Your Workspace

Ways to increase
employee
productivity

10 Big Shift Ahead

Moving from
a saving to a
spending lifestyle

12 Untapped Cash Flow?

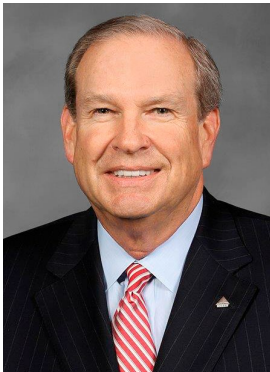
The secret of
supply chain
financing



YOUR BUSINESS MAKING THE TRANSITION

Strategies, structures and tactics to make
your succession more successful

Welcome



When you own a business, you’re always looking toward what comes next. It may be the next market, the next product, the next money-saving technology or even the next strategy. It’s a lot to keep track of, but you’re expected to do more than that: You have to stay ahead.

No matter your field, the future of your business most likely involves technology. In “When Software Is the Solution” (page 1), we look at some of the opportunities that technology offers to boost your bottom line. At the same time,

technology also creates new risks highlighted in “Email Fraud: A Survival Guide” (page 13).

Looking ahead means seizing the factors that are under your control, such as the environment where you and your staff operate. There are more options than ever, as you’ll see in “Light and Flexibility: A Better Workplace” (page 2).

Leading from the front and staying ahead of the curve go beyond just envisioning what’s next for your business. Leadership also means considering what’s next for you. In “Your Business: Making the Transition” (page 6), our banking and private wealth experts team up to examine the many facets of this complex issue.

The future is always uncertain, but with the right planning and preparation it can be something to look forward to. We hope this issue will play some small part in helping you prepare, plan and build for what comes next for your business, and for your life.

William E. Horton
Senior Executive Vice President
Head of Commercial Banking
Regions Bank

EDITOR: Jessica Austin
SPECIAL CONTRIBUTORS: Tracey Armitage, Jay Culver, Mark Jacobs, David LaPaglia, Travis LeMonte, Greg Miles, Katharine Morris, Jeff Taylor, Dennis Tygart, Daniel Wells

Investment, Insurance and Annuity Products:		
► Are Not FDIC-insured	► Are Not Bank Guaranteed	► May Lose Value
► Are Not Deposits	► Are Not Insured by Any Federal Government Agency	► Are Not a Condition of Any Banking Activity

This information is general in nature, is provided for educational purposes only, and should not be interpreted as accounting, financial planning, investment, legal or tax advice or relied on for any decisions you may make. Regions encourages you to consult a professional for advice applicable to your specific situation. Although based upon information from sources believed to be reliable and accurate, Regions makes no representation or warranties with respect to the information contained herein. Opinions of authors and contributors are their own and may not reflect the position of Regions, and Regions neither endorses nor guarantees any such advice, opinions, products or services. Regions neither endorses nor guarantees any websites or companies referenced in this publication that are not owned by Regions.

Financial risk management services provided by Regions Bank, such as interest rate, commodity and foreign exchange derivatives, require prior credit approval, are subject to documentation and eligibility requirements and are not insured by the FDIC or any governmental agency.

Regions Securities® is a registered service mark of Regions Bank and is used under license for the corporate and investment banking services of Regions Bank and its affiliates. Securities activities and Merger and Acquisition advisory services are provided by Regions Securities LLC, 1180 W. Peachtree St. NW, Suite 1400, Atlanta, GA 30309, 404-279-7400. Member [http:// www.finra.org](http://www.finra.org) and <http://www.sipc.org/>.

Banking products and services, including lending, financial risk management and treasury and payment solutions are offered by Regions Bank.

Deposit products are offered by Regions Bank, Member FDIC.



BUSINESS INTELLIGENCE

- 1 | When Software Is the Solution**
Choosing the right software for your company can make all the difference.
- 2 | A Better Workplace**
Light and flexibility can boost the productivity and morale of your office.

BUSINESS STRATEGY

- 4 | Get Your T&E Expenses Under Control**
Travel and entertainment spending may be unavoidable, but here’s how to keep it in check.
- 5 | Raising Crops Amid Rising Costs**
Agriculture comes with constantly shifting costs and prices. Here’s how to manage those risks.

IN FOCUS

- 6 | Your Business: Making the Transition**
Whether a succession or sale, leaving your company requires early and extensive planning.

YOUR WEALTH

- 10 | The Big Pivot**
A detailed financial plan can help smooth your transition into retirement.

PERSPECTIVE

- 12 | The Link to Fresh Liquidity**
Finding cash flow for your budding business can be as simple as looking toward your supply chain.

SPOTLIGHT ON

- 13 | Email Fraud: What You Need to Know**
Keep your business safe with these key tips for identifying fraudulent emails.



When Software Is the Solution

How to choose the best software to increase efficiency and reduce risk in your business.

Administrative tasks can significantly drain time and resources. That’s where business management software comes in. Consider incorporating software into these areas of your business to help you run your company more efficiently.

Less Busyness, More Business
“There’s a difference between busyness and business,” says Greg Miles, Senior Vice President and Head of Treasury Management Digital and Shared Services at Regions Bank. Busyness refers to administrative tasks that, while necessary, detract from growth opportunities. Software, according to Miles, can help your company across the board in three ways: maximizing efficiency, promoting growth and managing risk. Software can free up your time in the following core areas:

- **Payroll:** Software can improve timekeeping and make sure you’re up to date with taxes and deductions. This is one of the first places many companies start.

- **Accounting:** Automating accounting procedures can reduce expenses and risks. This software helps with regulatory compliance and also ensures your documentation is in order in case you’re audited.

- **Cash flow:** You don’t want to be caught short-handed, but you also don’t want too much cash on hand. Forecasting software tools can help you optimize your cash flow so you can allocate your resources smartly.

- **Customer relations management:** Always-on customer service uses artificial intelligence, such as chatbots, to offer support 24/7. This frees up your time and allows you to reinforce the relationship with your customers.

- **Human resources:** With growth comes the need to identify and onboard talent. HR software streamlines this process by screening candidates and using orientation and benefits tools to integrate new hires.

- **Project and workflow management:** As your company becomes more complex, this software can help you with processes, workflows and budgets.

Find the Right Software
If you’re unsure whether to implement software solutions, Miles recommends asking yourself, “Am I spending too much time on administrative tasks?” If the answer is yes, then your company could benefit from software. When searching for the right software, Miles suggests conducting a thorough internet search for reputable software vendors. He also recommends reaching out to associations, trade groups and peers who can offer assistance on software solutions specific to your industry.

Grow With the Right Tools
Miles thinks of business management software as a toolbox. “Your ability to grow your business can be constrained by using the wrong tools,” he says. Many company owners are reluctant to give up control of administrative tasks. But the benefits outweigh the costs, according to Miles. “Software can make your life easier,” he says. “That way, you can focus on doing what you love and growing your business.” ▲

MORE ONLINE For additional resources, please visit regions.com/commercialinsights

COVER: ROCCO BAVIERA/IRON IMAGES
STUDIO FIRMA/STOCKSY

Light and Flexibility: A Better Workplace

Want to attract and keep talent? Consider these tips for making your workspace work for your people and your business.

When it's time to hire employees, change locations or simply rethink the best ways to work, you should consider what kind of office space promotes productivity and attracts talent for your company.

"A flexible work environment is a great tool for recruitment and retention, as it encourages more engagement and collaboration," says Katharine Morris, Vice President of Corporate Real Estate at Regions Bank.

Know Your People

A first step is to know how your teams operate, and then create an environment that helps everyone succeed. Some groups have members who frequently work in a heads-down, more focused fashion while others spend most of their time in group meetings. So, you may decide to have open seating in some areas but quiet zones in others. Few companies find that a completely open seating environment is ideal—it's about balance, Morris says.

Private offices can be tricky to navigate as companies move toward open floor plans. In some industries, a private office has long been an executive perk and status symbol, Morris says, but it can make a workforce feel too hierarchical.

Understand the Trends

"Unassigned seating and natural light are the two biggest trends we are seeing in the corporate workplace," Morris says.

Unassigned seating can make it easier to expand teams or offer remote employees a place to work when they come into the office. Natural light is one of the most popular features an employer can provide. Eliminating private offices allows more people access to natural light at their workstations. Glass walls for conference rooms let in more light and make it obvious when the room is available.

"The traditional work style is very siloed—office doors and conference room doors are always closed, which is opposite of how the new workforce wants to work," Morris says. "It is a hurdle for attracting talent."

Gather Employee Feedback

Managing change is crucial when transitioning to a new floor plan. Communicate clear expectations for behavior, but most importantly, listen to your employees and make adjustments.

By understanding how your teams operate and considering what they need to do their best work, you can help your company save money and prepare for the future. Morris says companies are helping employees adopt a new mindset: "Work is what you do, not where you go."

Office Space: The Final Frontier

While many tout the benefits of a big, airy open office plan, the results are mixed: more collaboration, but more distraction. What's the best type of office layout for your workforce?

Working Remotely

✓ Pros:

- Flexibility and freedom for employee schedules
- Global workforce

⊗ Cons:

- Disengagement, which could lead to turnover

Private Offices

✓ Pros

- Privacy
- Fewer distractions for the employee
- Incentive for growth and promotions

⊗ Cons:

- Higher cost
- Less interaction between coworkers

Open Office Layout

✓ Pros

- Cost effective
- More space for more employees
- Improved potential for culture and collaboration

⊗ Cons:

- Increased distraction
- Decreased productivity, little privacy

Cubicles

✓ Pros

- More private and personalized

⊗ Cons:

- Requires more space
- Could decrease interaction between coworkers

Determine your office space based on your workforce's needs and how they feel about the space. According to the *Harvard Business Review*, employees who feel more positive about their workspaces "report more engagement in their work, more communication with their peers, and a stronger connection to the company." ▲



The New Retirement

The face of retirement is evolving, and so are the strategies we use to get there.

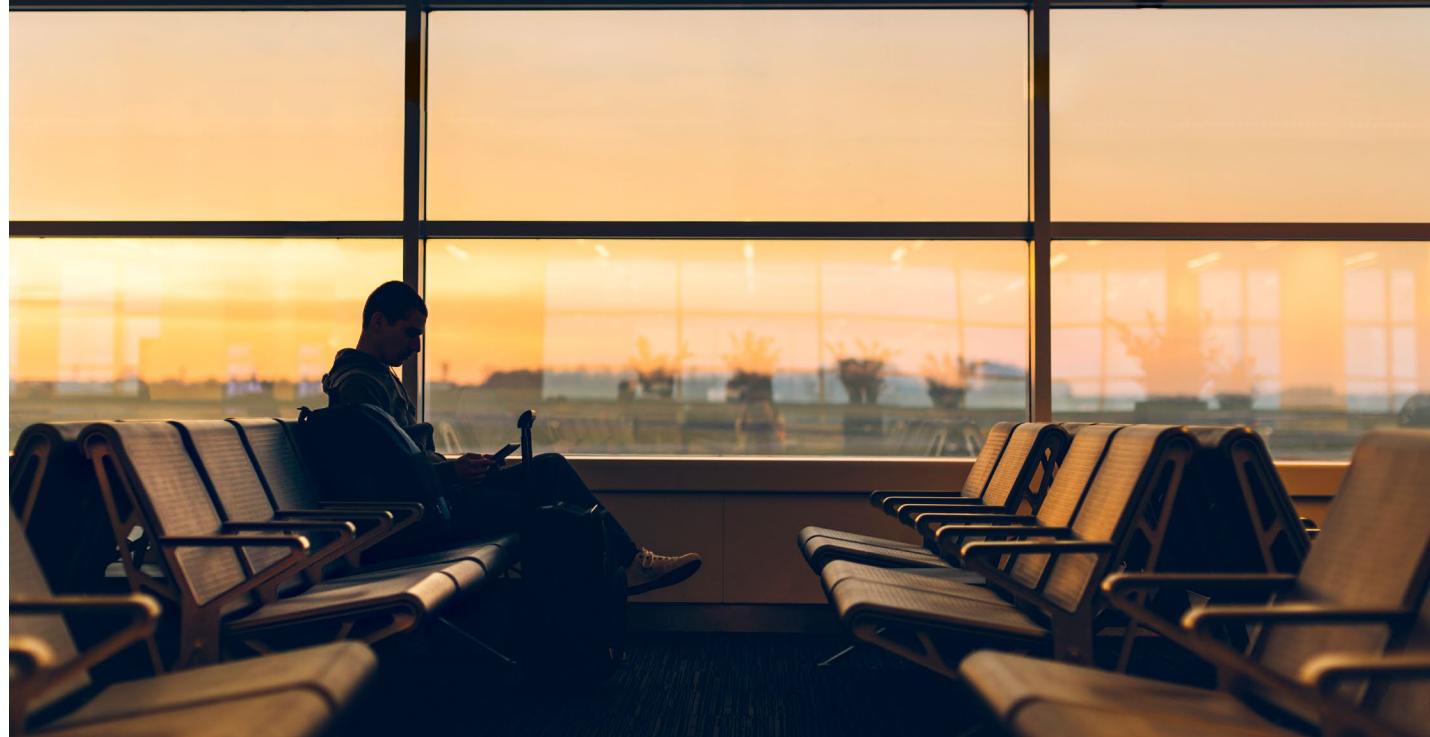
Whether your post-career plans include a senior living community or world travel, the traditional tools, environments and strategies that we've relied on to build our post-career lives are changing. The Winter 2019 issue of Private Wealth *Insights* brings some of those changes front and center to help you adapt your own strategies as you strive toward retirement.

As one of the strongest drivers of change, technology is not only disrupting the look and feel of traditional savings methods and assets, it is introducing new digital risks that require special management. Securing both physical and digital assets for retirement is becoming the new norm.

Basic retirement planning necessities have also shifted with time. Longer life spans, higher health-care costs and lower market returns are requiring us to be more creative with investment choices. Many even consider extending their working careers to comfortably cover costs.

Ultimately, this issue of Private Wealth *Insights* shows how retirement planning must be constantly molded to fit every individual's unique situation, desires and financial circumstances. Consider the personal traits that set you apart and begin your planning there.

Look for the Winter 2019 issue of Private Wealth *Insights* at regions.com/insightsmag



Are Your T&E Expenses Under Control?

Proactive policies and the right tools can help you track—and control—your spending.

While travel and entertainment remains a standard part of operating a business, employee spending can add up quickly. Finding more savings in corporate travel can be challenging, but you can keep the costs under control using these guidelines.

PARTNERSHIPS AND POLICIES

Seek partnerships with hotels, airlines and car rental companies to help decrease travel expenses. “Companies can reduce additional costs by leveraging their purchasing power and funneling their expenses to preferred vendors to obtain discounts,” says David LaPaglia, Vice President of Regions Commercial Card Product Management.

Set company policies that restrict how much an employee can spend on certain expenses. For example, set caps on meals while employees travel, with

varying amounts for breakfast, lunch, dinner, and meals when entertaining clients. “There is control and visibility around that spending,” LaPaglia says. “The more you are able to control and drive compliance around your spending policies, the less likely there is to be misuse.”

Even with vendor partnerships and a strong company spending policy in place, you might need additional assistance to take control of your travel and entertainment spending. That’s where commercial cards can help.

COMMERCIAL CARDS

Commercial cards not only provide employees with flexibility and independence while they are conducting business with clients, but they also offer a solution to streamline the company’s expense and budget management.

Commercial cards can help companies control employee spending. Among other features, they can restrict how specific cards are used, ensuring that only approved types of purchases are made. Some cards can also integrate with enterprise resource planning systems and accounting processes—making it easy to reconcile transactions and accounts payable.

Executives who travel frequently and entertain clients can use travel and entertainment cards—which are a specific type of commercial card—to pay for expenses such as flights, rental cars and meals. Regions’ cards have a feature that limits purchases to approved vendors, such as certain airlines, LaPaglia says.

Depending on your company’s needs, you might consider an all-in-one card—another type of commercial card—that you can use to do anything from purchasing office supplies to booking hotel rooms.

Commercial cards also offer expense reporting. “Companies that adopt electronic expense reporting experience a reduction in processing costs when compared with paper-based reporting,” LaPaglia says. “Electronic expense reporting allows companies to data mine transaction activity and flag out-of-policy spending or misuse.”

With the right policies, partnerships and commercial cards in place, you can take control of your travel and entertainment spending. ▲

Raising Crops Amid Rising Costs

As a farmer, your balance sheet is constantly in flux. Consider these tips to better manage risk.

Farmers know prices fluctuate, meaning profitability can be contingent on keeping costs low. While you can’t totally control your costs, there are several ways you can manage volatility and protect your margins.

UNDERSTAND YOUR COSTS

Many farmers don’t know their total input costs for a given product. For instance, how much do you spend to produce a bushel of corn? To calculate, you must factor in costs for fertilizer, seed and labor as well as any debt service, equipment and land.

From there, see how your costs compare to industry averages as published by the U.S. Department of Agriculture. Your banker can help you analyze the data to assess if the prices you’re paying are fair. Then, you can plan your expenditures strategically.

BUY STRATEGICALLY

Fuel tends to be one of the most significant costs on a farm. If you simply buy fuel as needed, you could lose money. “That exposes you to whatever the market price is at the time you purchase,” says Jay Culver, Managing Director, Rates and Commodity Risk Management for Regions Bank. “If you know you’re going to be buying a certain number of gallons for the planting season, and you like where prices are, you could buy in bulk and lock in that favorable price.”

Before you do this, consider the costs associated with storing the fuel. You may need to buy storage tanks and “if prices drop after you get the shipment, you don’t get the benefit of that,” Culver

says. You can also consider informal cooperatives with neighboring farmers to increase your buying power.

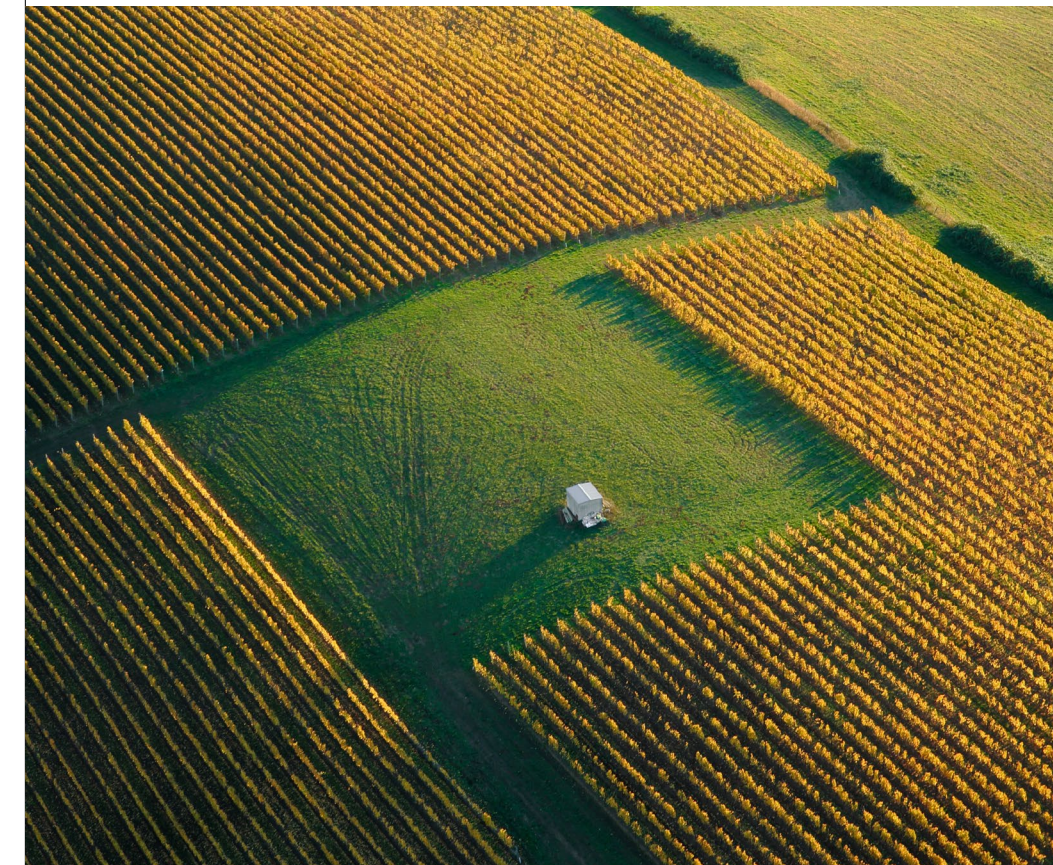
Farmers who consume a large amount of fuel might also consider futures—contracts that allow you to lock in specific prices. With its experience and expertise in the over-the-counter futures markets, Regions can offer clients access to more flexible terms and fewer margin requirements.

INVESTIGATE ALTERNATIVES

Consider different brands or generic supplies. Since diversification comes with trade-offs, see if these would save you money. A cheaper brand of seed, for example, might require more fertilizer or pesticides, which could offset any savings. And if cutting costs affects your final product, you may not save money. However, if the cheaper seed yields a similar product, it may boost profitability.

KEEP AN EYE ON OUTPUT

When you don’t know how much you’ll sell your products for, it can be hard to analyze costs. Talk to your banker about strategies to determine a price for your goods ahead of time. This type of hedging means you may miss out if the market for your goods improves, but you will also protect yourself if the price drops. Either way, you’re able to plan with more certainty, and you’ll have the information you need to improve your margins and profitability. ▲



MORE ONLINE See additional insights at regions.com/commercialinsights

Your Business: Making the Transition

Strategies, structures and tactics
to make your succession more successful.

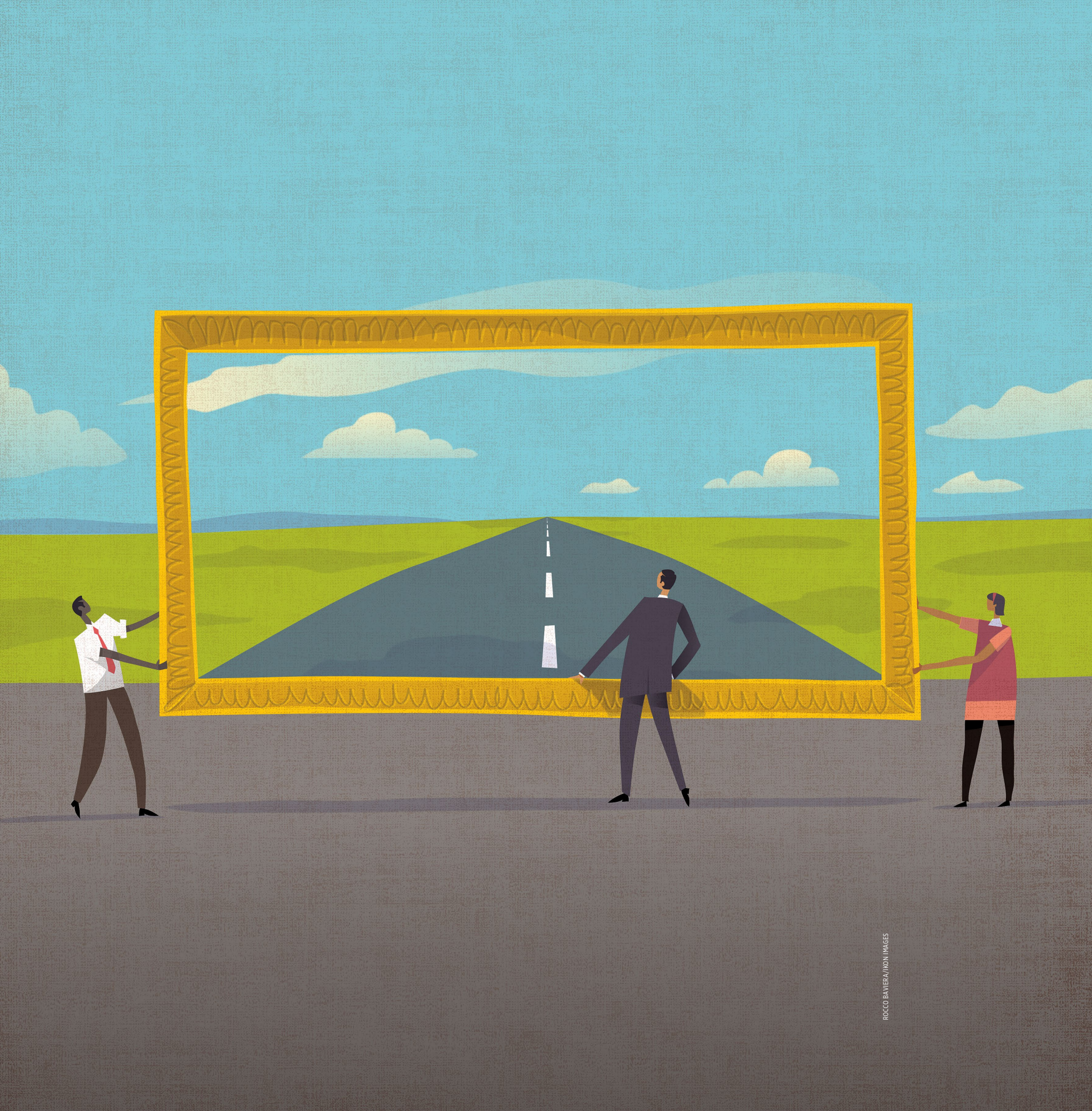
Every business owner eventually starts to think about what their life will be like after they move on and what they want their business to be like after they leave. Their visions for each are deeply personal and as varied as the business owners themselves.

Whatever form it takes, this transition is inevitable and increasingly common as millions of baby boomers move into retirement. “We estimate that half of all small, privately held businesses out there today will have to be transitioned over the next 10 years,” says Mark Jacobs, Houston Market President and Commercial Banking Leader for Regions Bank.

Leaving a business you’ve nurtured for years and even decades can be a poignant and exhilarating experience. It’s a path to an exciting new chapter, but one that can also be daunting in its complexities. Those complexities often boil down to one question: How can you move on in a way that works for your family, your employees and your own dreams for the future?

Plan early, communicate thoroughly

Time is your best ally for an exit that’s as successful as your business has been. “You can’t start planning soon enough, because so much goes into this,” Jacobs says. “Will you sell the business to an outsider, or transition it to your kids? What will you need to take away from the business to maintain your lifestyle? These are questions you can’t answer in a day.”





Jacobs recommends that business owners “start having serious conversations with your children and your spouse 10 years before you leave the business, because you’ve got to work as a team.” Frank conversations can head off misunderstandings that could prove disastrous if left until the time you’re ready to leave.

For example, if you’re counting on your daughter to run the manufacturing business in a few years, you should sit down and make sure that her true passions align with that plan. It’s better to know now, Jacobs says, while there’s still time to groom a different successor, if need be. “In a family where some children work in the business while others don’t, you’ll need time to develop a plan that rewards them all fairly, and to clearly communicate your intentions,” says Judi Cunningham, a family enterprise consultant and visiting scholar at Kennesaw State University in Georgia.

Small-business owners who dream of passing their business

down to the next generation face another dilemma, Jacobs says. On one hand, they shouldn’t minimize their own financial needs in retirement. But on the other hand, they should be careful not to remove too much cash and leave the business with insufficient liquidity.

“Just because EBITDA [earnings before interest, taxes, depreciation and amortization] was at a certain level last year, doesn’t mean it’s going to be the same going forward,” Jacobs says. And earnings often do dip as the children get their first taste of running the business alone.

“One way to ease the transition is to gift shares of stock in your company to your children, starting years in advance of the transition,” says Dennis Tygart, Wealth Strategist with Regions Private Wealth Management. “You can create shares that have nonvoting rights,” he adds. “The children can’t sell them to anybody, and they don’t get to make decisions over the business until you’re ready.”

“Depending on your situation, you might be willing to take a discount because you know that your employees are going to be taken care of.”

MARK JACOBS
*Houston Market
President and Regions
Commercial Banking
Leader*

Selling smart

If you plan to sell the company outright, your plans depend on two fundamental questions: What is your company actually worth? And who will want to buy it?

“I’ve met business owners whose transition plans started and ended with: ‘I’m going to sell my business for millions of dollars,’” Cunningham says, recalling the owner of a successful seasonal business that was located in a remote area. “He’d spend six months there and six months back in the city. It was great for him and his family,” she says. “He was so sure others would feel the same way that he spent little time assessing his company’s market value or scouting prospective buyers.”

“His entire retirement plan was based on what he assumed would be the proceeds of a sale,” Cunningham adds. Yet the dual rural-urban existence had little appeal for most prospective buyers, forcing him to continue managing the business beyond his hoped-for retirement age.

To avoid unpleasant surprises, Jacobs suggests hiring a certified valuation analyst (CVA). While it costs more than “guesstimating,” a CVA will examine your business from its assets to its goodwill, separate emotions from hard truths and find the likely market value.

Life, legacy and lump sums

Whether you sell your company outright or opt to maintain a revenue stream from it during retirement, your plan needs to provide enough income to support your desired lifestyle and all that it includes, such as travel and philanthropy.

The problem for many owner-operators is often that they’ve

never managed the large lump sum that can come with a sale. “For much of their lives, they haven’t been very liquid, because they’ve put all their money into the business,” Jacobs says. “It’s important to meet with your CPA well in advance of a transition to help you understand and minimize the tax liability you’re going to incur.”

How you structure the sale, the timing of the transaction and the type of company you’re selling will affect the taxes you’ll owe. With sufficient time to prepare, your tax specialist can help you find the most tax-efficient approach.

Business owners should also conduct a detailed analysis of their personal needs, Jacobs says. “What does my household budget look like when I leave this business, and how do I meet that?” With that analysis in place, your wealth strategist can help you determine the types of investments that will provide the income you need moving forward, without taking on too much risk.

When your employees are your business

Employees are essential components of any business owner’s success, and for many owner-operators, looking out for their well-being is one of the biggest priorities, and a challenge of any major transition.

Jacobs says that in some transitions that he’s advised, concern for employees influenced how the owner chose to sell the business. If a buyer is mainly interested in a company’s assets, or in gaining a competitive

advantage, they would be more likely to break the company up, leaving the employees without jobs. Even in deals where such a suitor was offering top dollar, Jacobs has seen owners choose a buyer interested in keeping the business intact and its employees employed. “Depending on your situation,” he says. “You might be willing to take a discount because you know that your employees are going to be taken care of.”

While open communication with family is important, sharing the details of a transition with employees or customers while the planning is still in progress may be counterproductive, Jacobs warns. “Employees usually don’t like change. You’re going to hurt the business and you’re going to hurt them, because they don’t know what’s going to happen.”

Only when you have firm plans in place is it wise to offer some assurance about their jobs. Rewarding key employees with shares in the company can help ensure that they stay on to support the company moving forward, he says.

Adding it all up

With so many moving parts, it’s no wonder that transition experts recommend years of planning. That can seem like a tall order while you’re still fully engaged in running your company, but your Regions Relationship Manager can assemble a team of experts—including your attorney, tax specialist and others—to help ensure that the time and passion you invested in your business pays off in a future as bright as the past. ▲

Speak to your Regions Relationship Manager about:

- How to have productive business transition conversations with your family as potential successors
- Steps you can take to prepare your company for a sale
- Whether your retirement plan is adequately accounted for in your exit strategy

Count Down While You Look Ahead

Mark Jacobs, Houston Market President and Commercial Banking Leader for Regions Bank, provides these milestones to help keep you on track toward a successful transition.

10 years out

- ➔ Outline your broad choices, such as keeping the business in the family or selling to an outsider.
- ➔ Plan for your liquidity needs following the transition.
- ➔ If you don’t plan to sell, begin preparing your successor, whether a family member or employee, for the demands of leadership.

5 years out

- ➔ Begin the process of transition.
- ➔ If you’re handing the company down, incrementally give your successor larger shares of the management responsibilities.
- ➔ Instruct your Regions Wealth Strategist, attorney and CPA to begin to execute your plan.

1 year out

- ➔ With the plan fully in place, manage unexpected issues that may arise.
- ➔ Working with your Regions wealth strategist, implement the investment strategy to provide the post-transition income you’ll need.

Transition time



The Big Pivot

The switch from working to living off your retirement savings can be disorienting, but a detailed financial plan can help you make the change gracefully.

The shift from the working and saving phase of your life to the retired and spending phase can be an emotional and financial rollercoaster. And the time immediately around that pivot can test even the most seasoned investor.

Many people feel lost when they give up their professional identity, not to mention their regular paycheck. At the same time, the financial demands of retirement can be tough to wrap

your mind around. Many people get the investment jitters on the eve of retirement and want to pull all of their money from investments like stocks, locking everything up in the safety of bank accounts and within bonds, says Tracey Armitage, Regional Manager for Regions Portfolio Management.

“You won’t need all of your money on the day you retire—you’ll be slowly drawing it down over the course of 20 to 40 years,” she notes. That’s why trying to eliminate all risk in your portfolio prior

to retirement can create risks of its own. Most notably, your investment returns might not keep pace with inflation, diminishing your buying power with each year that passes.

So how do you navigate this shift without going off the rails?

PLAN EARLY AND OFTEN

The most important thing is to start creating a plan for your transition into retirement at least five to 10 years in advance, says Travis LeMonte, a Regional Executive with Regions Private Wealth Management.

Early planning gives you time to catch up—or adjust your retirement date—if your savings and investment strategy is

inadequate for the retirement you want. It also allows you to start investing in different types of accounts—taxable, tax-free and tax-deferred—that will give you more flexibility in retirement.

Planning is also a chance to start to paint in the details of your retirement picture. When and where will you retire? Do you want your home to be paid off, or can you handle a mortgage or rent? What do you plan to do—travel, golf or volunteer your time? Diving into these details will help you create a long-term spending and investment plan, and can ease the shock of change by making this new life more familiar—at least on paper.



MORE ONLINE at
regions.com/commercialinsights

THOMAS BARWICK/GETTY IMAGES

LeMonte notes that planning isn’t a one-time event. After you draw up a plan, you should revisit it at least once annually. “It’s like going to the doctor for an annual physical. You need to make sure you address anything that’s changed in the past 12 months.”

DO A STRESS TEST

One reason people tend to invest too conservatively on the cusp of retirement is that they’re worried about what a market downturn might mean for them. Knowing that it would be tough to return to work in such a situation, they simply don’t want to take any investment risk.

you to stick with your smart investment strategy even during tough markets.

MAKE YOUR WITHDRAWALS TAX-EFFICIENT

Ideally, you will have several different types of accounts by the time you retire, such as IRAs and 401(k)s, Roth IRAs and taxable accounts. When you start pulling money out to live on, you want to keep an eye on which account the money is coming from to manage your income tax rate. After all, it’s not how much you have, it’s how much you keep—after paying Uncle Sam—that matters.

“Planning will help you create a long-term spending and investment plan, and can ease the shock of change by making this new life more familiar—at least on paper.”

“But another approach may be to stress test your portfolio,” Armitage says. You do this by first determining the gap between your reliable, paycheck-like sources of retirement income, such as pensions and Social Security, and the amount you plan to spend. Most people should expect to spend about as much as they do now, as shopping and travel often replace work expenses.

That gap—between your spending and your regular income—is where your investment portfolio comes in. So now you evaluate that portfolio and see how much of a hit it could sustain from a prolonged bear market, and still provide you with the monthly income you’ll need. At the same time, see how that same portfolio would serve you in a conservative low-risk, low-return portfolio, factoring in inflation. Armitage also suggests you consider “longevity risk,” or what would happen to your plan if you live far longer than you expect.

These tests should help ensure that you’re taking enough risk to keep your portfolio growing enough to fund your goals, in almost any market condition, but no more risk than necessary. It should also quiet your investment fears, allowing

In years that you are going to spend more—to buy a vacation home or fund your child’s wedding—you might want to dip into Roth IRAs, which provide tax-free withdrawals. In years that you spend less, you can take more out of accounts that are taxed more heavily, since you’re still likely to be in a lower tax bracket.

BE SMART BUT FLEXIBLE

Life has a way of throwing curve balls. That doesn’t mean you should abandon your plan, but you might want to adjust it. If something big happens—you get divorced, the market drops or you are diagnosed with a serious illness—seek out your advisors right away.

“If you’re ahead of the curve, you only need to adjust at the margins, which is a lot easier,” says LeMonte. “You want to be proactive, not reactive.” ▲

Speak to your Regions Relationship Manager about:

- Whether your long-term savings plan is on track to meet your retirement goals
- How you might adjust your investment portfolio as you reach retirement age
- Tax-efficient ways to withdraw your retirement funds

The Link to Fresh Liquidity

For businesses looking to speed up the flow of cash from key customers, supply chain financing may be just the ticket.

Using your company's supply chain to secure financing is becoming an increasingly popular option to manage cash flow, liquidity and growth. But how does supply chain financing actually work, and is it a good option for you?

HOW IT WORKS

Consider this example: Company A purchases \$10,000 in supplies from Company B, and receives an invoice with 90-day payment terms. But Company B needs to be paid sooner due to upcoming bills. Instead of trying to persuade Company A to pay ahead of schedule, it might instead consider working with a financial institution for financing.

If Company B were to contact Regions about this, it would have two potential options: supply chain finance (SCF) or receivables purchase facility (RPF).

With supply chain financing, Regions buys the invoice from Company B at a discount for the convenience. The payment due from Company A at the end of the 90-day term would go to Regions instead of Company B.

This arrangement benefits both parties: Company B gets paid earlier, and Company A gets the full 90 days. Both companies enjoy more liquidity.

The other option, receivables purchase facilities, would involve only Company B: Regions would buy the invoice at a discounted rate and Company B would repay Regions the full amount once they receive payment.

SHOULD YOU CONSIDER SUPPLY CHAIN FINANCING?

With supply chain financing, the lending institution is, in a sense, issuing unsecured credit to cover the invoice based on Company A's creditworthiness.

A major perk of supply chain financing is that it isn't an actual loan and doesn't show up as debt on an accounting ledger; it is simply listed as an account payable for Company A.

For suppliers hoping to get paid sooner—Company B—this type of financing helps free up cash flow on accounts receivable without antagonizing buyers.

Considering supply chain financing for your business? Before you get started, Daniel Wells with Regions Business Capital recommends talking to your customers.

“Ask your customers if they have a supply chain finance system in place, and consider getting involved if they do,” he says. This can be an important way to deepen the relationship without creating a new SCF arrangement.

If there's no SCF system in place, some banks will help facilitate an arrangement that benefits all parties. For example, Regions works with both buyers and suppliers to create more efficient and liquid supply chains.

If you prefer not to approach your customers about a SCF facility, receivables purchase facilities may be an option. Keep in mind, however, that your creditworthiness and annual funding must meet certain requirements and minimums to qualify. ▲



CONTACT Regions Business Capital to discuss financing options

EMAIL FRAUD

A Survival Guide

Here are a few ways to spot the telltale signs of a fraudulent email, and what to do if you've been the victim of a scam.

In today's technology-driven world, email is key to conducting business successfully. That means it's important to be wary of business email compromise (BEC). While you may think your business isn't a target, criminals have targeted businesses of all kinds and sizes—from school systems to large-scale corporations.

“It is absolutely imperative that businesses become more educated around threats that can come via simple email,” says Jeff Taylor, Senior Vice President and Head of Treasury Management Core Products & Services at Regions Bank. There are two common ways that business email can be compromised.

EMAIL-BORNE MALWARE

Malware (malicious software) encompasses any number of codes written to “hack” into your business's computers or network. Think of the process like a Trojan horse, says Taylor.

Fraudsters use a seemingly harmless email to introduce software into your computer via a link or an attachment. Once it's in, the malware can spread to other computers on your business's network or to your servers.

The specific type of software depends on what the fraudsters are trying to accomplish. For example, they may introduce a program that records every key you press. These keystroke loggers can capture banking transactions or record all of your usernames and passwords.

FAKE VENDOR EMAIL

Fraudsters can also attack your company by infiltrating or posing as a company with which you do business. Once they have access to one of your vendor's systems, they may hack the vendor's email accounts or create accounts that look like your vendor's. From there, they might send you a seemingly

How to Fight Fraud

Education is the first and most important step to fighting fraud. Jeff Taylor, Senior Vice President and Head of Treasury Management Core Products & Services at Regions Bank, suggests starting with a four-step process.

1. Authenticate:

Protect originating payments with two-factor authentication which, in this case, means having a second person review and approve the payment prior to its release.

2. Verify:

Set up a system to verify every emailed invoice or payment request with a phone call to a known contact.

3. Question:

Even when email looks legitimate, give them a second review before clicking any links or opening any attachments.

4. Train:

Educate your employees to be vigilant about every email.

official email, such as a “vendor change of terms.” These emails often ask that you send your regular wire payment to a new bank account and routing number.

IF YOU'VE BEEN ATTACKED

If you think you've been victimized, contact law enforcement and your bank immediately. File a report with your local police, but

know that cybercrimes are often the jurisdiction of the FBI. You can submit claims online to the Internet Crime Complaint Center at ic3.gov. “Document everything that happened,” says Taylor. “It will help you avoid the same attack again.”

Proper preparation using cybersecurity processes and education is the best way to prevent these attacks. ▲



LUMINA/STOCKSY

JL GUTIERREZ/GETTY IMAGES



MORE ONLINE For more helpful guidelines, please visit regions.com/stopfraud



1900 Fifth Avenue North
Birmingham, AL 35203

YOU WANT A BETTER COMMERCIAL BANKER. REGIONS IS WHERE YOU'LL FIND ONE.

EXPECT BUSINESS INTELLIGENCE THAT GOES BEYOND THE BALANCE SHEET.

There will come a moment when you realize your Regions Commercial Relationship Manager is someone who will bring you a lot more than just ways to raise capital. You'll see we're here to demonstrate our value to you as local, knowledgeable business consultants. You'll find we ask smart questions, listen to your answers and deliver smart solutions for your business. You'll know we're true partners. In that moment, you'll realize you made the right choice.

START THE CONVERSATION TODAY BY CONTACTING YOUR COMMERCIAL BANKER.

For more insights, resources and timely information,
visit regions.com/commercialinsights.



Commercial Banking | Treasury Management | Capital Markets | Wealth Management



© 2019 Regions Bank. All loans and lines subject to credit approval, terms and conditions. | Regions and the Regions logo are registered trademarks of Regions Bank. The LifeGreen color is a trademark of Regions Bank.