

# Insights

BUILDING  
AND PRESERVING  
YOUR WEALTH



**1 Election Results**  
What new policies may mean for your portfolio

**3 Big Pharma Investing**  
Are COVID-19 vaccines worth the risk?

**12 Update Your Estate**  
Keep your assets and final wishes aligned

## What Did We Learn From 2020?

Making sense of the challenges and opportunities.



# Insights for Our Future

As 2021 begins, I am reflecting on lessons learned over the past year and looking ahead to the key opportunities before us. The COVID-19 pandemic dominated much of our professional and personal lives, while we balanced a pivotal election year and advocating for racial justice in our communities. In this issue of *Insights*, we look toward the future, pointing out key lessons you can apply from 2020 for your families, your portfolios and your businesses.



In “What Did We Learn From 2020?” (page 6), we break down trends and provide guidance about what you can do in 2021 to safeguard your portfolio, ensure your family’s future and make sure you have a tested plan for what may lie ahead. “What Sectors Thrived During COVID-19?” (page 2) and “The Risks of Pharma Investing” (page 3) offer more insights on 2020 market volatility and future investment opportunities.

Furthermore, “Your Estate Planning Checkup” (page 12) provides guidance on establishing financial security for future generations while “Getting the Most Out of Your Giving” (page 3) considers how to ensure your philanthropy is both tax efficient and socially effective. And if you’re a business owner, we additionally offer innovative ways to reimagine your operations in “Your Business After a Year of Change” (page 10).

Your Wealth Advisor welcomes the opportunity to further discuss any of the topics raised in this magazine—or any of your wealth planning needs. In spite of what’s going on around us, we can always stay focused on what we can control and remain optimistic about the future. My best to you and your families in the new year.

**LESLIE CARTER-PRALL**  
EXECUTIVE VICE PRESIDENT  
REGIONS PRIVATE WEALTH MANAGEMENT

**EDITOR:** Jessica Austin

**SPECIAL CONTRIBUTORS:** Aimee Chester, Scott Hartwig, Bryan P. Koepp, Michele M. LaPorte, Allen Lewis, Fran Smitherman, Brandon Thurber, Dennis Tygart, Jeffrey H. Winick

Trust and investment management services are offered through Regions Wealth Management, a business unit of Regions Bank. Investment advisory services are offered through Regions Investment Management, Inc. “RIM.” RIM is a Registered Investment Adviser and wholly owned subsidiary of Regions Bank, which in turn, is a wholly owned subsidiary of Regions Financial Corporation.

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.



## INTELLIGENCE

### 1 | The Election Results and Your Portfolio

A fresh cabinet and new policies may affect your investments.

### 2 | What Sectors Thrived During COVID-19?

Volatility caused a number of industries to rise, and others to fall, in 2020.

### 3 | The Risks of Pharma Investing

Consider these risks, and risk management tips, before adding COVID-19 vaccines to your portfolio.

### 3 | Getting the Most Out of Your Giving

How to increase the efficiency and effectiveness of your philanthropy.

## YOUR WEALTH

### 4 | Family Discussions About Your Legacy

How to start—and continue—the hard conversations that will set your family up for success.

## IN FOCUS

### 6 | What Did We Learn From 2020?

A national pandemic threw the world into a tailspin, but its lessons can help us prepare for the unknown.

## YOUR BUSINESS

### 10 | Your Business After a Year of Change

Business models are evolving. Here’s What you should, could, and may consider doing differently.

## PERSPECTIVE

### 12 | Your Estate Planning Checkup

Tips to get your affairs in order, in advance.

## SPOTLIGHT

### 13 | Ready for the Challenge

How one small business owner used ingenuity, positivity and hard work to thrive during COVID-19.



Produced in partnership  
by Regions and  
Meredith Corporation

COVER: KLAUS VEDELT/GETTY IMAGES, NOMAD/GETTY IMAGES

# The Election Results and Your Portfolio

Where do we go from here?

After a tumultuous election season, former Vice President Joe Biden has defeated the incumbent and is America’s choice for president. What will that mean for the next four years, and how will it affect your portfolio?

To start, the fact that the presidential race is settled will mean reduced volatility in the markets, says Bryan P. Koepp, a certified financial planner and Senior Vice President of Wealth Planning at Regions Private Wealth Management. Even so, it’s impossible to predict which sectors will rise or fall with the change in administration, so it’s important to maintain flexibility and react to changes in the market soberly and with an eye on the long term.

Rather than overreacting to the election results, Koepp suggests that investors focus on what they can control. Think about your financial goals and the life of your portfolio beyond the next four years. The bottom line: Don’t alter your fundamental investment approach just because of an election and its subsequent results.

Presidents change, but wise financial planning doesn’t. “If investors stick to the core tenets of investing and work with their advisors,” Koepp says, “it will give them a better chance of being successful.”

In terms of tax policy, it may be too early to say for sure how much legislation the Biden administration and the next Congress

will be able to pass into law, Koepp says. While Biden’s team may attempt to make significant changes to, or roll back, the Tax Cuts and Jobs Act of 2017, a Republican-controlled Senate might result in smaller changes to the current tax environment. “What investors should be doing right now is maintaining their current tax plan,” Koepp says, “and adjusting to maintain tax efficiency in 2021 only after legislation becomes clear.”

Like tax policy, other agenda items of the Biden administration will depend on a bipartisan approach if final elections results yield a Republican-held Senate. Instead of

wholesale change—with regard to health care, for example—Koepp says he expects Biden to pursue targeted, tactical changes. That also means investors shouldn’t expect systemic changes to the U.S. Supreme Court, which should help reduce uncertainty in the markets.

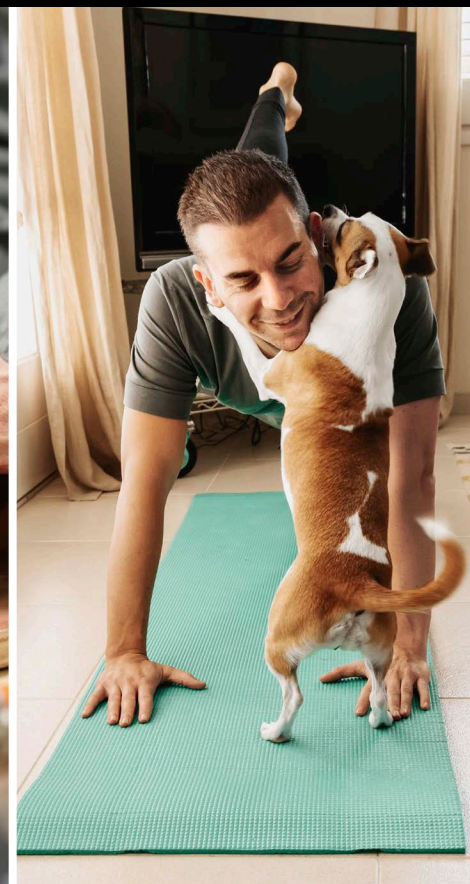
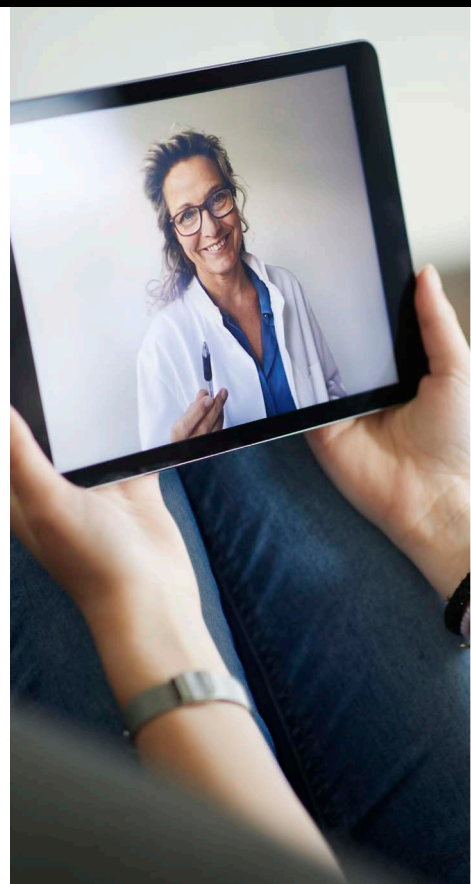
Many details are still up in the air. It is prudent to make an appointment with your Regions Wealth Advisor to discuss how to adjust your portfolio in conjunction with your goals and aspirations. ▲



**MORE ONLINE** See additional insights at [regions.com/wealthinsights](https://regions.com/wealthinsights)

SMARTBOYD/GETTY IMAGES





# What Sectors Thrived During COVID-19?

A glimpse at the industries that excelled and sunk in 2020.

**D**arkened shop windows, nearly empty roads and headlines about high unemployment have been the most visible and ongoing economic impacts of the COVID-19 pandemic. Yet some industries have seen revenues surge amid social distancing measures.

The industries that were successful in 2020 shared some common characteristics, says Brandon Thurber, Chief Market Strategist at Regions Asset Management. “They all allowed you to go about some semblance of your life as you would have before the pandemic, when you didn’t have to worry about catching COVID-19 or passing it on,” he says.

## Industries That Benefited

Digital communication tools, such as videoconferencing and telemedicine, saw significant increases in demand, Thurber says, because they allowed businesses and medical

providers to continue operating. With the rapid shift to remote work, cybersecurity companies also benefited, as they worked to keep data and information safe.

As people spent more time at home, they invested in their living spaces, and businesses that focused on home-related products and services thrived: home improvement, home furnishings, home fitness and home entertainment, such as electronics, streaming services and video games. Digital payment services saw gains as well, as consumers avoided currency.

## Industries That Suffered

Businesses that rely directly or indirectly on face-to-face interaction took the biggest hits during 2020. That included travel and entertainment companies, such as airlines, hotels, casinos and theme parks. It also included everyday services, such as

restaurants, retail shops and ride share services. Energy companies, which benefit from commuting and travel, saw downturns as well.

Thurber expects that many of these industries will remain challenged through 2021. Even after that, they may recover slowly, because even if a vaccine becomes available, some people might remain reluctant to take it.

## Lessons for the Future

Investors and business owners saw firsthand that flexibility and adaptability are essential. “You need to have a long-term plan and framework, but you also need to be able to adjust on the fly,” Thurber says. He suggests that investors think like a hockey player: Consider how you can skate to where the proverbial puck is going, not where it is now.

While growth stocks have seen outsized gains relative to value, Thurber believes a barbell investing approach—combining growth and value stocks—still makes long-term sense. “At some point, as the U.S. and global economic trajectory and path become more certain, you will likely see a more pronounced shift from long-term growth to more cyclical value stocks, but it doesn’t have to be an either/or scenario.” ▲



**MORE ONLINE** For more insights, visit [regions.com/wealthinsights](https://regions.com/wealthinsights)

# The Risks of Pharma Investing

Ready to invest in vaccines? Start with these considerations.

**O**ne of the key lessons we’ve learned during COVID-19 is how essential—and how competitive—pharmaceutical markets are. How can investors tap into a possible payoff while keeping risks manageable?

## Vetting Is Essential

Before you invest, consider every aspect of a pharmaceutical company, says Fran Smitherman, Director of Equity Research for Regions Private Wealth Management. “Look at their valuation and balance sheet characteristics,” she says. “And keep in mind the diversification of their company’s portfolio, their pipeline and patent expiration outlook.”

Investors should also review industry guidelines and oversight laws, because pricing models and approval processes can change drastically depending on the laws that govern them.

## Assess the Competition

The race for an effective COVID-19 vaccine is a great example of the fierce competition in the pharmaceutical market. With over 50 vaccines currently in clinical trials, and over 300 vaccine candidates in various stages of

production, there are a lot of players in the market. And with fewer than five vaccines approved for treatment, that market is still capable of leaning any which way, making market uncertainty a definite and volatility almost guaranteed.

“Even the largest, best capitalized companies can hit stumbling blocks. A single misstep on a drug-testing phase could send a stock down 15% in a single day,” Smitherman says. That type of risk can be daunting for some investors.

## Consider the Timeline

Developing a vaccine used to take a decade or longer. In recent years, a three- to four-year timeline has become more doable. The COVID-19 vaccine is on an accelerated timeline, and the pressure is on to have a vaccine ready within the year. Keep these time horizons in mind when you invest.

## Don’t Overweight

Diversify your health care investments and make sure you are invested in other sectors as well. “Even though health care is a secular growth area with the aging U.S. population, it’s still full of ups and downs,” Smitherman says. ▲



## PHILANTHROPY

# Getting the Most Out of Your Giving

The COVID-19 pandemic has created an unprecedented need for charitable giving, and many of us have felt the call to be an agent for change. We talked to Michele M. LaPorte, CPA/PFS, Fiduciary Area Business Manager at Regions Private Wealth Management, about the questions you should ask to maximize the impact of your giving.

## Does the charitable organization match your goals?

Make sure that the charity you’re considering is clear about its purpose, has articulated its method and has shown results. To maximize local impact, choose a charity that is led by someone who lives in the community.

## Has the organization demonstrated positive results?

Make sure your donation is actually helping people in need. Research the organization’s transparency and impact using online tools such as Charity Navigator. If you prefer to make a direct donation through a crowdfunding platform, do your research to make sure the fund is legitimate.

## Will your gifts be beneficial for your taxes?

Start by checking the IRS website to confirm that the organization is a 501(c)(3) charity. Think about donating any required minimum distributions directly from your IRA, which may lower your overall tax burden. You can also establish a charitable lead trust, which allows you to make payments to charities during your lifetime and take tax deductions now.

## Does your philanthropy match your other spending habits?

Remember that your day-to-day spending and the companies you support are a big part of your social impact. Consider purchasing from brands that are making a positive impact, and whose missions align with your passions and goals. ▲



**LEARN MORE** For more insight, contact your Regions Wealth Advisor





# Family Discussions About Your Legacy

How to start—or revisit—estate planning.

The COVID-19 pandemic has served as a bracing reminder of the fragility of life, and has convinced many people that it's time, once and for all, to create a plan that best provides for their loved ones both today and long after they're gone. "If there are any positives that can come from the pandemic, one is that people have moved legacy planning off of the back burner and are beginning to evaluate their options," says Dennis Tygart, Regional Wealth Strategist at Regions Private Wealth Management in Atlanta. Conversations around wealth transfer can be complex and time-consuming, so starting them today will

ensure that your family is on the best footing possible for the future. Legacy planning requires a team approach. Families must work closely with their wealth advisor, trust advisor, wealth strategist and other advisors to develop a strategy—or retool an existing plan—that effectively distributes wealth to future generations in a manner that reflects the parent's values, while also preserving family harmony. **What Matters to You?** Legacy planning involves far more than simply deciding who gets what. "We view legacy planning as the process of

helping families develop a strategy to pass on both their wealth and their values to future generations," Tygart says. "We not only ask what a client wants to accomplish through the transfer of wealth, but we ask why, in order to understand his or her priorities and level of commitment." That matters because the strategies you choose for wealth transfer can have a profound impact on you and your beneficiaries. "Most people earned their wealth through a strong work ethic," Tygart says. "They want their children to have the same set of values, but often worry that giving their children too much wealth at one time will be a disincentive

THOMAS BARWICK/GETTY IMAGES

for them to build their own financial life." While there are rules to follow when deciding how to pass on wealth to your heirs, the plan you create is ultimately highly personal. Most plans use one of three basic approaches as their foundation:

**THE INHERITANCE APPROACH:** Families whose next-generation members are mature and have established careers often choose to transfer wealth through their wills, with the confidence that receiving a large sum all at once won't derail an heir's pursuit of a career and meaningful life.

**THE DISCRETIONARY TRUST APPROACH:** Some families worry that their children will overspend on a lavish lifestyle and quickly exhaust a large inheritance. In those cases, one solution is to set up a trust fund administered by a trustee, who receives guidelines from the grantor—the parent or whoever set up the trust—and has sole discretion over how the money is used.

**THE INCENTIVE TRUST APPROACH:** This approach requires beneficiaries to show their efforts before receiving funds. For example, a beneficiary may present evidence of his or her professional earnings, such as a W-2 or 1099 tax forms, at the end of a year to a trustee, who then distributes matching funds from the trust.

**Maintaining Harmony—and Your Lifestyle** Discussing your intentions and expectations with your beneficiaries is essential for maintaining family harmony. "We encourage our clients to share their legacy plans with the next generation to avoid future conflicts," Tygart says. Every family is different, but many begin by having individual

*"Legacy planning is not a static process. It is dynamic and should reflect your current priorities and the current rules."*

—DENNIS TYGART, REGIONAL WEALTH STRATEGIST, REGIONS PRIVATE WEALTH MANAGEMENT

conversations with each beneficiary and then gathering as a group to discuss the plan. This allows individuals to think about the plan before a larger meeting so they can ask informed questions. One common misconception about legacy planning is that you have to make sacrifices today—skip vacations or maybe even sell the beach home—in order to secure your children's financial future. "You worked really hard to get where you are," Tygart says. "No one should willingly sacrifice their current lifestyle for future generations." A well-designed legacy plan helps you grow wealth, as well as pass it on. Tygart notes that he regularly does "stress tests" to legacy plans to ensure that they won't diminish current living standards.

**Consider the Future of Your Business** For business owners, their business is often the largest asset in their estate, but deciding how to divide shares of a business equitably can be a challenge. What if one beneficiary wants to keep the enterprise alive, but their three other sibling beneficiaries are eager to exit the business? "What's fair doesn't have to be equal," Tygart says. In one scenario, he says, a business valued at \$1 million might be left to one child, while other siblings receive lesser amounts of cash. Why is that fair?

A business requires reinvestment to grow, so \$1 of business is not the same as \$1 of cash. "This is the art of the process, rather than the science."

**Don't Miss Advantages** Estate taxes are one reason to revisit your plan. For the 2020 tax year, the lifetime estate tax exemption is \$11.58 million per individual, or \$23.16 million per couple. However, this high threshold is scheduled to "sunset" at the end of 2025, when it drops by half, and political changes in Washington, D.C. could reduce it even sooner. Under the current rules, making a gift from your estate today could have advantages. "Any tax on the future growth of that money would happen outside of your estate, while your taxable estate has dropped by that amount," Tygart notes. "You can do a good amount of estate planning all in one move."

If you already have a legacy plan in place, it's wise to give it a fresh look from time to time. "Legacy planning is not a static process," Tygart says. "It is dynamic and should reflect your current priorities and the current rules." ▲

**Talk to your Regions Wealth Advisor about:**

- Wealth transfer strategies that align with your goals
- Tips for how to begin legacy planning conversations with your family
- How gift taxes might affect your plans for giving

 **MORE ONLINE** Visit [regions.com/wealthpodcast](https://regions.com/wealthpodcast) and download Wealth Podcast Episode 19: "Discussing Estate Planning with Aging Parents"



# What Did We Learn From 2020?

Lessons from a tumultuous year could help prepare you for whatever lies ahead.

W

hile New Year's always brings excitement, anticipation and the promise of a clean slate, perhaps never in recent memory has there been greater reason to celebrate the end of one year and the beginning of another.

The events of 2020 "felt otherworldly," says Aimee Chester, Senior Wealth Advisor for Regions Private Wealth Management. The pandemic brought everything to a standstill, including a healthy economy and the lowest unemployment rate in decades.

Chester and her Regions partner, Portfolio Manager Allen Lewis, have spent much of the past year helping clients maintain perspective through months marked not just by health concerns but by deep economic disruptions, market volatility, political turmoil, widespread protests over racial injustices and other challenges. "We hadn't seen this type of downside before," she says—not even during the global financial crisis of 2008–2009. "Clients told us everything felt more unpredictable."

Of course, flipping the calendar to 2021 didn't automatically solve the nation's problems. Still, a look back at 2020 offers key lessons that could be worth holding onto even when the year's defining events have entered the history books.

## Lesson 1: Stay Invested

One of the greatest missteps for investors during any crisis is to sell securities out of fear. In that sense, 2020 taught a vital lesson in the importance of staying the course even when market volatility appears to be spinning out of control.

For example, when much of the economy shut down in March and April, and the S&P 500 suffered one of its fastest and sharpest drops in history, some investors were getting up in the middle of the night to check developments, wondering if they should exit the markets until things settled down. As understandable as the urge to sell stocks might have seemed at



the time, panic selling might have meant missing out on a dramatic 2020 market recovery whose extent surprised even many experts. “The S&P 500 experienced its largest and fastest-ever rebound from a 30% decline,” Lewis says.

“If you do sell, it’s even harder to get back in,” he adds. “Looking back to the 2008 crisis, I saw investors go to cash to ‘wait it out.’ Some of them sat in cash for three years. When are you ever going to feel comfortable?”

## Lesson 2: Build a Long-Term Portfolio

The 2020 market recovery underscores another important lesson: Have a solid portfolio built for endurance. While a financial crisis can be unsettling for any investor, Lewis believes that those who already have a long-term portfolio structured around their personal goals and needs are better able to withstand the urge to respond rashly.

“People without a plan are more likely to ask, ‘Should I go to all cash?’” he says. By contrast, a well-conceived investment strategy takes into account that markets are inherently volatile. Investors with long-term strategies can

pay less attention to daily headlines, rebalance their portfolios as necessary and take comfort in knowing that, historically speaking, markets rebound.

A portfolio review with your Regions Wealth Advisor could reveal strategic considerations to help prepare for a post-pandemic economy. “There are some industries and sectors where we’re seeing big changes,” Lewis says. For example, while industries that support remote work technology are likely to grow quickly, airlines and other travel-related businesses may take years to recover. Still, stocks of some of those technology companies have become expensive in anticipation of growth, while struggling industries could present bargains for long-term investors. In the end, Lewis says, “It’s about understanding what’s the appropriate amount of various investments to have in your portfolio to accomplish your goals.”

## Lesson 3: Plan for Life

As with an investment portfolio, a broader plan for your whole financial life can help you stay focused and avoid succumbing to fears, Chester says. That means having a detailed understanding

of what you hope to achieve and how you’ll get there. “With a plan in place, we’re able to put things in context,” she says. “Here are the things you’ve said are most important to you, whether it’s retiring in five years or paying two college tuitions.” Chances are, those priorities haven’t changed simply because of turmoil in the markets or setbacks in the economy, Chester adds.

In some cases, economic or market conditions could prompt adjustments in lifestyle or expectations, but a strong plan takes into account that conditions will fluctuate. In many cases, Chester says, clients are pleased to learn upon review that despite unsettling headlines, they are still firmly on course to reach their goals.

## Lesson 4: Focus on Total Returns

Interest rates plummeted in 2020 as the Federal Reserve moved to stimulate a severely disrupted economy, and they are likely to remain low for the foreseeable future, Lewis says. For individuals nearing or in retirement, the old model of counting on income from bonds no longer works. “If you retired in the mid- to late 1990s, you could have

invested in a portfolio of investment-grade corporate bonds, received 7% yield and done pretty well in your retirement,” Lewis says.

Navigating retirement today is more complex. While bonds remain an important tool for diversifying a portfolio, “the conversation has to be about your total return, because income alone won’t get you there,” Lewis adds. That means carefully constructing a portfolio that includes not just bonds but stocks and other investments capable of growing and generating returns throughout your retirement.

While low rates can make bond income harder to find, they offer opportunity elsewhere, Chester says. Depending on your situation, now may be a time to refinance your mortgage, buy a retirement home or secure a line of credit for your business at an attractive rate. If you’re looking to help a loved one financially, now may be a good time for lending. The IRS requires you to charge interest on intrafamily loans in order to avoid potential gift taxes, but recent rates have greatly reduced the interest burden on family members you help out with a loan, she says.

## Lesson 5: Safeguard Your Legacy

In volatile times, people naturally focus on the desire to protect and provide for

loved ones, Chester says. And election years such as 2020 raise concerns about potential changes in gift and estate tax laws that could affect how much in assets they’re able to pass along to the next generation.

Ironically, those who worry most about things they can’t control, such as possible changes in tax legislation, sometimes overlook things they can control, such as their essential estate documents. “It’s important to have an up-to-date will, trust, power of attorney, medical power of attorney, health care and other documents,” she says. When and if tax changes occur, it’s much easier to adjust existing plans as necessary than to start from scratch.

“If you own a business, make sure you have a succession plan that’s tightened up, locked down and spells everything out,” Lewis says. That’s likely to have a bigger impact on your legacy than anything going on in the markets or in Washington, D.C., he says.

## Lesson 6: Gain New Perspectives

As stressful as 2020 has been, Chester and Lewis say some of the most gratifying lessons it teaches will be positive. In working closely with Regions clients, they’ve seen deep concern and uncertainty tempered by resolve and underlying faith in the

country’s—and their own—ability to bounce back from challenges. “There’s only so much negative news you can take,” Chester says. “I think family, friends and relationships have been a great solace for people who have gotten through this year,” she says. “Folks have had to learn how to work from home and how to have the discipline to know when to stop working, get their exercise and eat more healthily,” she adds. People are also taking more time to think about their futures, including their financial futures, which helped Chester and Lewis deepen relationships with their clients.

“Every generation in American history has had its challenges, and this is kind of a once-in-a-lifetime thing,” Lewis says. “Let’s hope we don’t have another pandemic. But anytime the American people have been tested, we’ve always come out better on the other side. I think this is no different.” ▲

### Talk to your Regions Wealth Advisor about:

- Strategies for managing market volatility in times of uncertainty
- Potential diversification options that fit your financial goals
- Updating your estate planning documents to align with your legacy plans

# Action Steps for Whatever Lies Ahead

Help protect your finances, and your peace of mind.

As 2020 made clear, there’s no telling what the future holds. “We tell clients, ‘We don’t have a crystal ball, but we do know what is going on today,’” says Aimee Chester, Senior Wealth Advisor for Regions Private Wealth Management. In other words, paying close attention to your current financial situation can help prepare you for whatever comes next. Here’s where you can start.



### REVIEW YOUR GOALS

If you haven’t done so recently, schedule some time with your Regions Wealth Advisor to discuss your personal priorities. Have they changed? Do your financial strategy and portfolio still reflect those needs, or are adjustments in order?



### BUILD A TEAM

Your specialists can’t deliver the best service if they’re operating independently or at cross-purposes. Your Regions Wealth Advisor can help organize communication with your CPA and attorney, and lead a team that works seamlessly together on your behalf.



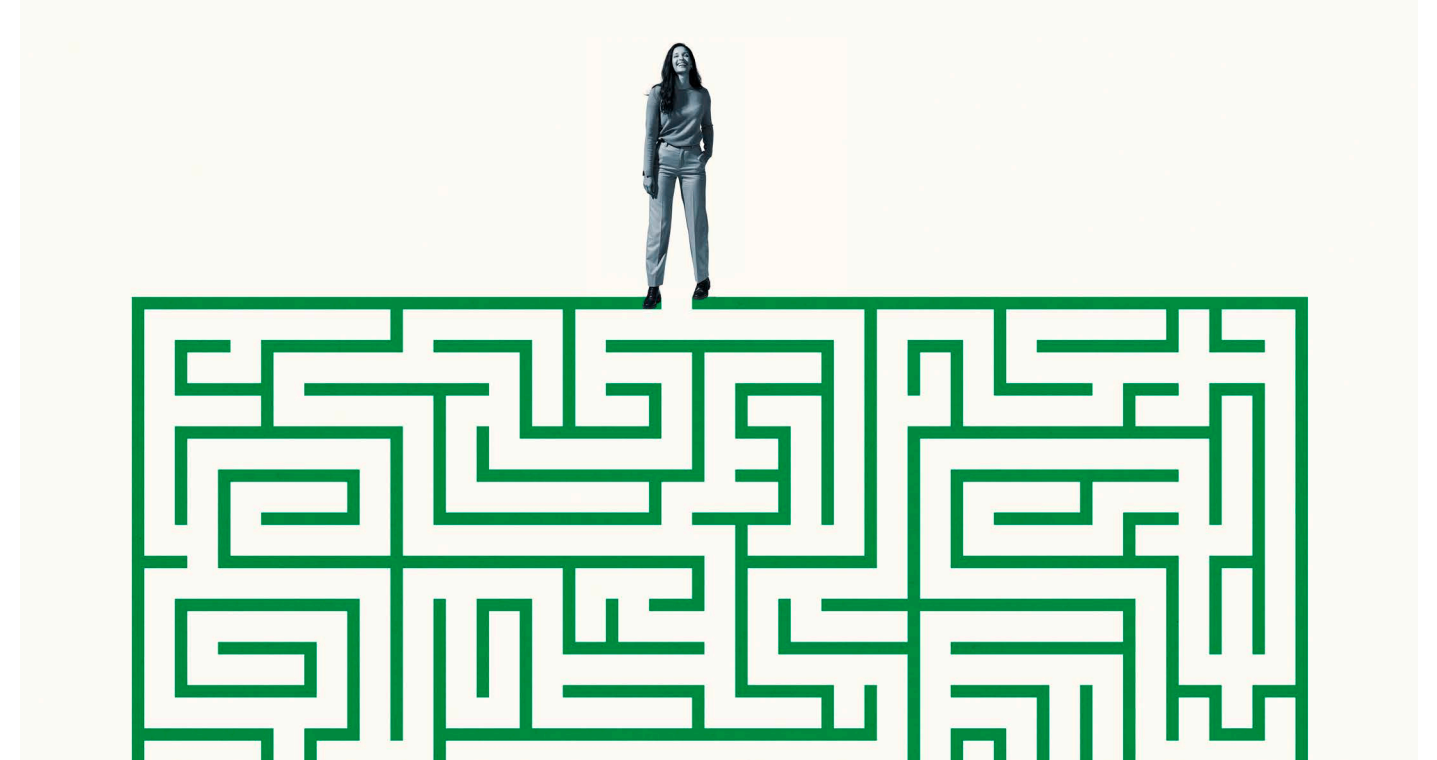
### PREPARE YOUR DOCUMENTS

If your will, power of attorney and other essential documents are on your perpetual back burner, make completing them a priority.

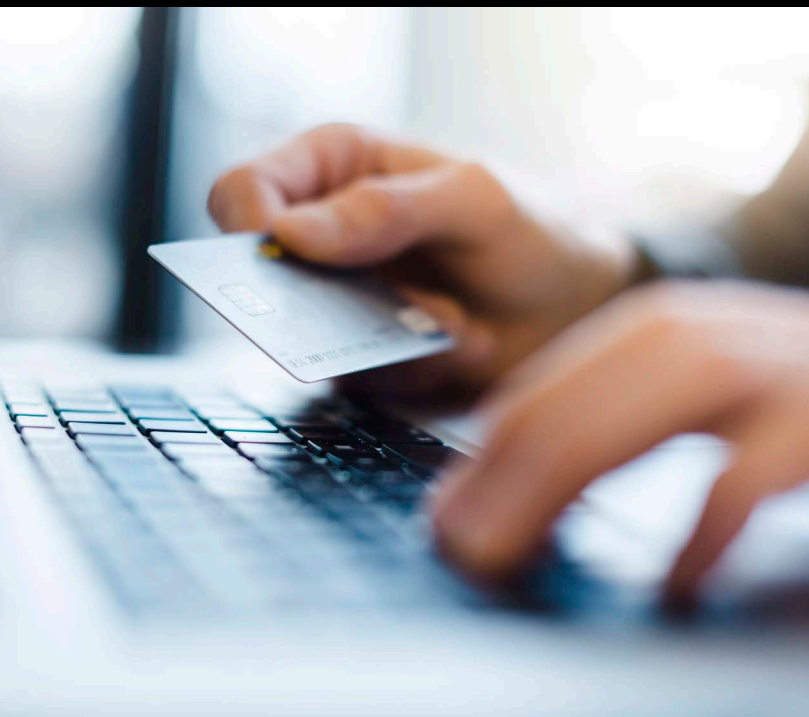


### SAVE TIME FOR ENJOYMENT

One advantage of solid planning is the potential for greater peace of mind when challenging times occur. With plans in place, you may find yourself spending less time scouring the latest headlines and more time doing the things you love.







# Your Business After a Year of Change

The global pandemic is reshaping business models.

**W**ith very few exceptions, small businesses across the world spent most of 2020 navigating the same challenging conditions. They have contended with everything from a steep drop-off in sales to the necessities of social distancing and other measures needed to keep employees and customers safe. In times like these, small businesses are finding innovative

ways to reorient and reimagine how they operate—steps that are proving essential as they contend with the ongoing uncertainty of COVID-19 and its economic consequences. “Whether it’s COVID-19 or an economic downturn, I believe small business owners that thrive take time to inspect everything they are doing,” says Scott Hartwig, Commercial Banking Executive at Regions Bank. “It is essential

to make sure every operational process and strategic objective is as efficient and effective as possible.” For many business owners, that means adjusting to the new normal, but for others, it includes making improvements to their business that have long been on the back burner. Here are a few ways that Hartwig says businesses can adjust their practices to stay open.

## BUILD A MORE FLEXIBLE WORKFORCE

Hartwig and his colleagues constantly discuss with small business owners how they can best integrate remote work into their model. There is growing evidence that workers value the flexibility to work from home, even more so since the coronavirus pandemic, and that it should be an option companies offer well into the future. In fact, despite the pandemic, one research firm forecasts that 25% to 30% of the American workforce will work from home multiple days each week by the end of 2021.

Hartwig sees this as a chance to increase employee productivity. “If you have people who excel working remotely, look at ways they can work at home 80% of the time and only be in the office when it’s necessary,” he says.

If your staff is required to be on-site to complete some of their workload, consider what tasks they could complete remotely, and build in that flexibility. There is also a growing variety of software to help owners monitor the efficiency of their remote workers.

## FOCUS ON NEW TYPES OF TRAINING

The impact of COVID-19 has also prompted small business owners to examine the training and coaching they offer employees. In the past, many companies assumed that workers who came into the office each day naturally understood the best sales and operational practices that individual businesses preach to help their staff succeed.

A shift to a remote work environment has forced small business owners to rely on production data and sales tools to identify when their staff could use more coaching and guidance. “In this environment, it requires sales managers to use the objective data, which makes it easier to see if staff is using the right behaviors, like client selectivity and calling frequency,” Hartwig says. By changing the way we work, many businesses are seeing new behaviors

*“I believe small business owners that thrive take time to inspect everything they are doing.”*

—SCOTT HARTWIG  
COMMERCIAL BANKING EXECUTIVE, REGIONS BANK

from employees, which has provided a chance to enhance coaching.

## FIND NEW EFFICIENCIES

Understandably, the uncertain impact of COVID-19 has also focused more attention on ways to improve efficiency. For example, Hartwig has worked with small businesses, helping them shift to digital payment processing. “COVID-19 opened their eyes to issues with manual payment processing and made business owners open to review solutions that can bring cost savings and more efficiency to the entire process,” Hartwig says.

Shoppers are also looking for efficiencies, so businesses that are cutting shipping costs—or offering no shipping costs for curbside delivery—can help entice customers. Other businesses are focusing more closely on their inventories. Before COVID-19, there was less concern about over-buying goods that would sell long-term, but with restrictions changing often, inventories might need to be pared down to better use available funds.

## FOCUS ON CASH FLOW

Small businesses are also paying closer attention to their cash conversion cycles—the amount of time it takes to receive inventory, make the supplier payment, convert inventory to a closed sale and collect on receivables to convert to cash. While cash flow issues are a perennial challenge for businesses, they are especially important when the economy is in a recession. “We work with business owners to reduce the

time between when they have to pay their suppliers to when they finally have received cash from their customer,” Hartwig says.

Improved cash flow can be the result of fairly simple adjustments, such as making sure invoices are sent out on time. Another process to analyze is the policy on collections, such as when to communicate to a customer that a payment is past due.

On the payables side, Hartwig also helps small businesses look at all options for paying vendors. “Too often business owners default to the traditional pay-by-check method. We work with our clients to identify all digital payment methods—like ACH, wire, corporate card—that can be used when negotiating terms with their suppliers. For instance, using a corporate card can put money in your pocket through a rebate program, while also lengthening your payables cycle.”

## STAY NIMBLE IN 2021

COVID-19 represents an unprecedented challenge to small businesses and the communities and jobs they support. One of the defining characteristics of successful small businesses is agility and the capacity to respond quickly to challenges. Those that do will find themselves in a better position when the pandemic is over. “A successful business owner never allows themselves to become paralyzed by the uncertainty,” Hartwig says. “The best approach is to remain active and always looking for ways to improve.” ▲

CLOCKWISE FROM TOP LEFT: WESTEND61/GETTY IMAGES, TRAVELCOURTESY/GETTY IMAGES, OSCAR WONG/GETTY IMAGES, LUIS ALVAREZ/GETTY IMAGES





**JEFFREY H. WINICK, J.D. CWS® AEP® CEPA®**  
*Sr. Vice President | Senior Wealth Strategist*  
*Regions Bank*

# Your Estate Planning Checkup

**T**he year 2020 was largely defined by economic volatility and the global pandemic. As we enter 2021 and start fresh, now is a good time for everyone—but especially older generations and wealth creators—to review their estate plans. In a time of ongoing uncertainty, you may be thinking more about ensuring financial security for your family’s future generations, and now is the time to recalibrate your plan accordingly. Here are the key items to discuss with your Regions Wealth Advisor.

“

**As you recalibrate your financial reserves, you may need to reassess and reprioritize wealth transfers to your beneficiaries.**

”

## Review Your Estate Plan Fiduciary Appointments

Families change over time, so make sure your estate documents are up-to-date for your own peace of mind. When appointing individuals to manage your estate, it’s important to choose people who don’t have conflicts of interest. If they have working knowledge of your family dynamics, that’s all the better.

Each role requires different skills and strengths, so be honest with yourself about who is up to the task of fulfilling your wishes. For example, the administrator of your estate and the agent holding your durable power of attorney should both have good business acumen. Your health care proxy, the person designated to make health care decisions for you, should be someone who can uphold your preferences.

## Reassess Planned Wealth Transfers

As you recalibrate your financial reserves, you may need to reassess and reprioritize wealth transfers to your beneficiaries. Ask yourself what you want to accomplish with your wealth, such as paying for your grandchildren’s educations, providing living expenses for family or giving to philanthropic causes.

Conversations around foreseen and unforeseen contingencies can be difficult to start and facilitate, so feel free to reach out to your Regions Wealth Advisor for support. We can run cash flow projections to help you determine appropriate reserves, and the right amounts and timing for wealth transfers or gifts to charity.

## Assess Trustees

During a time of change, it might be wise to reassess your trustees. Individual trustees, who are appointed by a family member, can sometimes feel pressured by beneficiaries to comply with a request not intended by the trust creator. The neutrality of corporate trustees can make them a good choice to serve as an intermediary to resolve conflicts that may arise among beneficiaries.

A corporate trustee or co-trustee can also bring professional trust management skills. This person could help navigate specific legal and tax rules that many people don’t realize may apply.

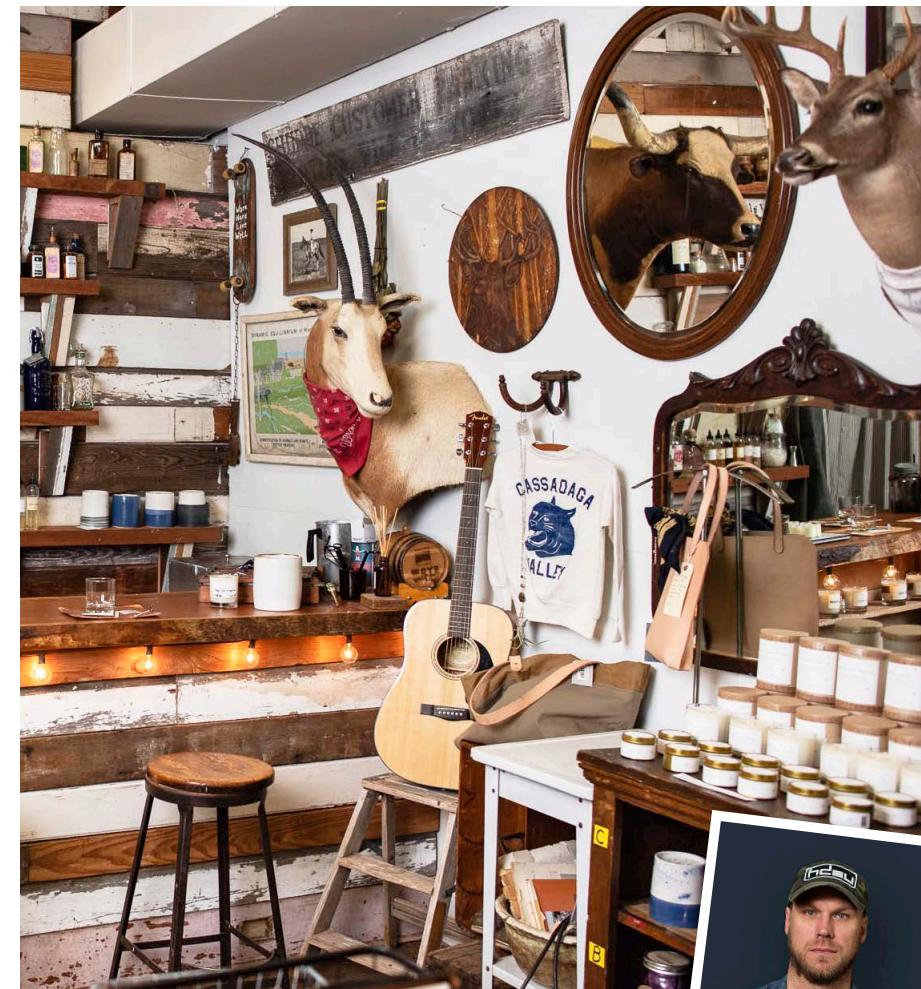
## Plan for Long-Term Care

To make sure your long-term care needs will be covered, start by talking to your family about your preferences. For some people, staying at home might be worth every penny, even if it means drawing from funds meant for inheritance. Do you have a spouse who could handle the stress of being a caretaker, or children willing to take you in? If not, you may need a plan that involves in-home care, or even assisted living facilities.

Keep your family in the loop about changes where appropriate. With the help of your Wealth and Trust Advisor to facilitate these tough conversations, your loved ones and your legacy can be protected no matter what the future may bring. ▲



**LEARN MORE** about estate planning at [regions.com/estateplanning](https://regions.com/estateplanning)



# Ready for the Challenge

When the pandemic closed his stores, small business owner Travis Weaver used ingenuity, positivity and hard work to keep his business going.

**F**or entrepreneur Travis Weaver, opening a second brick-and-mortar location of his successful Houston-based business, Manready Mercantile, looked like a home run. He had selected Austin’s trendy South Congress district for the expansion of his premium general goods store and scheduled a springtime launch to align with the city’s popular SXSW festival. Then the COVID-19 pandemic hit. Weaver suddenly found himself sitting on rent for two closed retail locations and a production facility, payroll for 20 staff members and the costs of a spring product lineup.

Weaver had to become flexible, inventive and resourceful with operations, products and staffing—and do it incredibly quickly. “There was no single magic thing we did,” Weaver says, emphasizing that constant ingenuity and a willingness to try—and fail—were key.

“We were trying so many different things, and some worked and some didn’t. But all the things somehow clicked for an overall uptick,” he says.

Weaver’s first move was to focus on his online business, [manready.com](https://manready.com). Although certainly helpful while the physical stores were closed, the online store still required changes, including creating in-store pickup options, to meet the new reality. Processing the increase in online orders required converting a section of the Houston store into a makeshift facility to handle the demand.

Weaver also took advantage of other technologies and launched new services to keep the business afloat. Manready began offering a personal-shopping model, where a staff member takes a customer’s video call and walks them around the store virtually. Weaver used social media to advertise the brand’s new service, along with daily promotions and new products.

“Our customers started buying new things,” Weaver says, having seen an uptick in sales of home goods, cocktail supplies and pantry items. Focusing on how demand shifted for certain products has affected his business view for the future. “We’re being smarter about what we buy and how we buy—we’re focusing on products with a shorter lead time,” Weaver says.

Staffing became more fluid during the pandemic as well. “We’re changing how we train our staff—cross-training employees now for different roles,” he says. Employees were no longer assigned to narrow jobs, but instead were tapped to help with a variety of tasks—whatever needed to be done.

Through all the craziness, Weaver stayed focused on the bonds that he built with his community of vendors, neighbors and customers. “We’ve always been good to people, and they were good to us in return,” Weaver says. “People didn’t forget about us during this time—and that was pretty amazing.” ▲

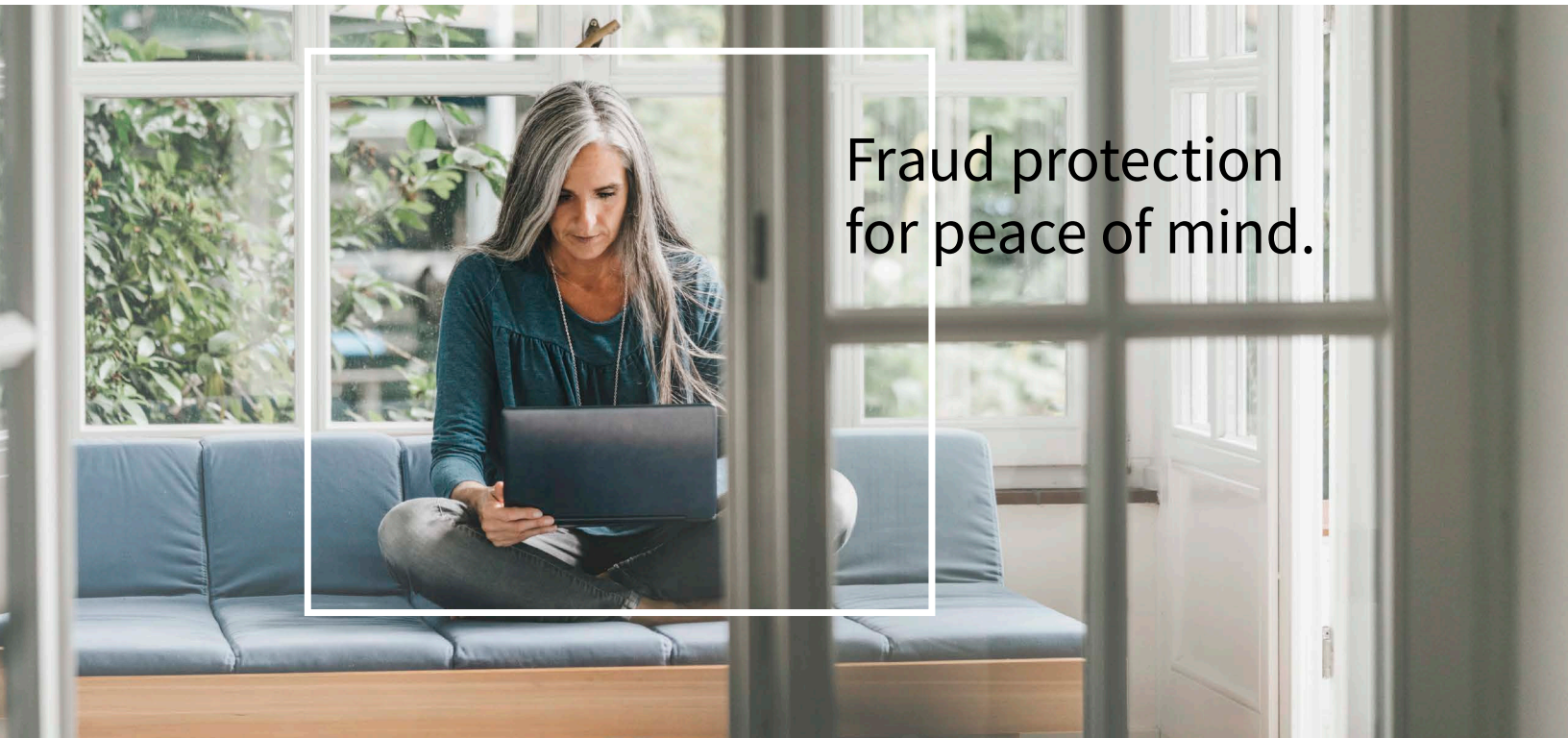


**TO READ MORE** about pandemic resources Regions offers, visit [regions.com/coronavirus](https://regions.com/coronavirus)





1900 Fifth Avenue North  
Birmingham, AL 35203



Fraud protection  
for peace of mind.

Fraud prevention is an important aspect of financial security. That's why Regions is giving you even more ways to safeguard your account. By working with our experienced Wealth Advisors, you'll have access to their knowledge and advice as well as a full suite of resources to help you guard against fraud. Our online content includes articles, podcast episodes and informational guides so you can learn the best practices to stop fraud before it starts. Whether guiding you to grow your wealth or giving you the resources to protect it, we're always here to help.

**Peace of Mind | Protecting Your Legacy | Personalized Planning**

**For more resources or to learn more,  
visit [regions.com/fraudprevention](https://regions.com/fraudprevention).**



Investment, Insurance and Annuity Products:

Are Not FDIC Insured | Are Not a Deposit | May Go Down in Value | Are Not Bank Guaranteed  
Are Not Insured by Any Federal Government Agency | Are Not a Condition of Any Banking Activity

© 2021 Regions Bank. Banking products provided by Regions Bank, member FDIC. Only banking deposit products are FDIC insured. Some products and services are made available through Regions Asset Management, a business unit within Regions Wealth Management. | Regions and the Regions logo are registered trademarks of Regions Bank. The LifeGreen color is a trademark of Regions Bank.