



CAPITALMARK

BANK & TRUST

A Division of Pinnacle Bank



SCS Government Contracting Seminar

October 20, 2015



CapitalMark.com

David Bradshaw, EVP
dbradshaw@capitalmark.com
865-481-7802



CapitalMark's & Pinnacle's Model

- **One Banker, One Bank.** Clients have a dedicated Banker Team for a close, advisory experience with Bankers who get to know them well.
- **Empower** our Bankers with the ability to make immediate decisions for our Clients.
- Recruit **experienced, talented and motivated** Bankers
- Provide Client's the **personalized, one-on-one service** they want from a bank and the expertise they expect from their Banker.
- Provide the Banker with a group of products (remote capture, courier) that address the **unique banking needs** of our Clients.



“It’s deja vu all over again...”

The basics are more important than ever!



Obtaining Credit: Be Prepared

- Build relationships (attorney, accountant, banker) and work them regularly
- Be organized, especially with your financial reporting
- Critique your request from a banker's perspective
- The details do count (a balance sheet should balance, net income should flow to the equity section, etc.)
- Be proactive and disclose any negative issues up front



Obtaining Credit: Be Prepared

- Provide what the banker requests in a timely fashion
- Be ready and able to discuss any questions regarding business performance, financials, etc.
- Don't try to do it all – do what you are best at; hire the rest
- Take advantage of free resources (such as the SBA or SBDC)



Obtaining Credit: Contracts

- Complete and fully executed contracts are key
- IDIQs and other indefinite contracts are harder to finance up front
- Two cash flows are important:
 - Cash flow of the new contract
 - Cash flow of the contract integrated into overall company cash flow
- Federal Assignment of Claims Act can be a sticking point
 - Discuss this early with the contracting officer



What Should You Expect?

- An advisory relationship – use the expertise your banker can bring to the project
- Don't expect miracles overnight, but don't expect to wait weeks, either
- Expect questions relevant to your request
- Expect an honest early response (a quick “no” is sometimes needed)
- Personalized, one-on-one service (one point of entry)
- Easy to use tools (e-banking, remote capture, etc.)
- Clarity and transparency in cost
- Simplicity in straightforward situations



What Should You Expect?

- Personal guarantee almost every time
- Detailed discussion of the ability of your firm to perform the contract
- Expect to have to move your deposit relationship to the firm providing the credit relationship
- A few bumps up front, but your banker should compensate for these through close relationship
- Expect to see your banker!



Today's Drivers

- Low rates have compressed margins/spreads – banks need to lend to support core business
- Adherence to government legislation
- Emphasis on key financial ratios (DSC, Liquidity, Leverage), management teams, proper collateral valuation
- Lending needs to be part of a broader relationship
- Relationships are more important than ever



Thank You!



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