

## Disciplined Lending: Beyond the Numbers

DAY ONE	DAY TWO
<p style="text-align: center;"><b>Introduction and Objectives</b></p> <p style="text-align: center;"><b>Case Study: Hoover Optical</b></p> <ul style="list-style-type: none"> <li>• Qualitative factors and impact on repayment capacity: Evaluating the client’s business strategy; industry, and management</li> <li>• Repayment source clarity.</li> <li>• Getting behind the numbers, unpeeling the onion.</li> <li>• Healthy skepticism.</li> <li>• Capturing the essence of the credit situation.</li> <li>• Setting the stage for a “Principles of Credit Soundness: A Framework”</li> </ul>	<p style="text-align: center;"><b>Cash Flow Skills and Tools, Continued</b></p> <ul style="list-style-type: none"> <li>• Precision in identifying repayment sources</li> <li>• Debt capacity tools: latest insights.</li> <li>• Permanent working capital loans: a cash flow approach to analysis and capacity.</li> <li>• Short examples: utilizing cash flow tools.</li> <li>• The seven classic cash flow traps</li> </ul> <p style="text-align: center;"><b>Case Preparation</b></p> <p style="text-align: center;"><b>Horvath Environmental Rettig Manufacturing</b></p>
LUNCH	LUNCH
<p style="text-align: center;"><b>Principles of Credit Soundness: Credit Values</b></p> <p style="text-align: center;"><b>Cash Flow Skills and Tools</b></p> <ul style="list-style-type: none"> <li>• Cash Flow: Moving beyond superficiality.</li> <li>• The “Three Minute Tool: Capturing the Essence of the Cash Flow Situation.</li> <li>• Cash flow traps – identifying and avoiding common cash flow traps.</li> <li>• “Will the real repayment source please stand up” – identifying cash flow measurements, their uses and misuses.</li> <li>• Quantitative cash flow drivers</li> </ul>	<p style="text-align: center;"><b>Case Application of Key Principles: Horvath Environmental Rettig Manufacturing</b></p> <ul style="list-style-type: none"> <li>• Application of principles of soundness</li> <li>• Evaluating debt capacity.</li> <li>• Early warnings and pro-activity.</li> <li>• Credit structure issues.</li> <li>• Knowing when to find a legitimate way to extend credit and when to “walk.”</li> </ul> <p style="text-align: center;"><b>Resilience through the economic cycle</b></p> <p style="text-align: center;"><b>Summary</b></p>