



CNB BUSINESS[®] BROADCAST

NEWSLETTER FOR BUSINESS CLIENTS OF CANANDAIGUA NATIONAL BANK & TRUST

The Importance of Training for Management Succession

Why You Should Train Successor Management

Many business succession plans focus on the succession of ownership but neglect to address the issue of management succession. Whether you expect the management team that will follow you to the corner office to come from inside or outside the company, you should consider training one or several people to serve as interim or successor management. This can serve multiple purposes. First, having trained successor management in the business can work into your short-term contingency plan established to cover your unexpected absence from the business (due to death, for instance). Second, trained successor management can serve as interim management during the transition period during and after your withdrawal from the business at your retirement, while your interest is being transferred after your death, or when you head out for that long vacation you have been yearning for.

Ensure the Smooth Transition of Responsibilities

When you take a proactive position and train one or more people to assume management responsibilities, you can provide valuable coaching in the business itself and the industry in which it operates. You will be able to explain the nuances of running your business. If you plan to keep your business indefinitely, a successor manager can be groomed over a period of time leading up to your retirement or withdrawal. If you plan to sell your business, successor management can be invaluable during the transition period when ownership changes hands.

Evaluate Candidates

You may want to evaluate all potential candidates and identify strengths and weaknesses. In evaluating potential candidates, you will need to identify the skills and traits that are required of the individual filling a specific role. You will also want to measure the extent to which any potential candidates currently possess certain skills in the areas shown in the table below. Gaps between skills needed and skills possessed indicate areas for training and development.

Skill	Description
Business Competency	Competency skills and requirements will vary by business and competitive market environment and include technical and administrative skills
Business Commitment	Commitment to the business is exhibited by a high energy level, high standards of excellence, and discipline
Personal Character	Character is often demonstrated by integrity, high ethical standards, compassion for employees, and the trust of others
Leadership Ability	Leadership skills include the ability to build teams and promote teamwork, adapt to changing business environments, develop long-term vision, and challenge others to succeed

Choose a Successor Manager or Team

You may have decided already who will take over your company (e.g., your child). But what if your child is still a minor when you die or lacks the experience to assume the management role? You probably have one or more key employees in the business—those people who are instrumental in producing, marketing, or selling your product or service. Their knowledge and experience can be called upon and these individuals can be groomed to act as interim management should the need arise. If your child chooses a career path outside your business, your key employees might even become the buyers of your business.

Train Successor Management

There are options available for training successor management, as shown below.

- **Formal in-house training program**—Such a program could include specific goals and timetables for completion. Rotation among different areas of the company and increased responsibilities can provide exposure to all the aspects of the company. If your business is a family business, it is important to allow your successor manager the opportunity to develop leadership skills and to gain the respect of employees using his or her own abilities and talents rather than through family relationships.
- **Outside development** – If your child is your chosen successor manager, it might be a good idea to arrange for training outside of your business. Such a plan might include formal education in college or graduate school programs. Employment in another company can be valuable, as it allows the child to grow and mature outside the family business environment (and also make any early career mistakes elsewhere!)

Preparing for management succession is an important part of maintaining the success of your business. Create a plan and train the right people in order to ensure that your business continues as normal.

Our Commercial Services Team is available to talk with you about your business. Feel free to contact us at (585) 419-0670.

Michael Mallaber is a Senior Vice President and Group Manager with our Commercial Services Team. He can be reached at (585) 419-0670 x50649 or MMallaber@CNBank.com



Time For a Spring Business Checkup

Business health is just as important as personal health. You see a doctor annually for your checkup, and you should see your branch representative or Business Banking Officer annually for your business checkup, too. Changes take place throughout the year – balances in your deposit accounts fluctuate, lending needs arise, you take on more clients, you hire more employees, the list is never ending.

During your annual review, we'll focus on understanding your business, how you pay your vendors, how you collect from your customers, and what your short-term and long-term goals are for your company. We strive to identify ways to save you money, make you money, save you time, and add convenience, all so you can focus on what's most important: running your business.

We also offer cash management solutions that create efficiencies for your business, including Remote Deposit Capture (RDC) and Automated Clearing House Origination (ACH). These services save you and your employees time and can be utilized at your office or remotely.

RDC is used to make deposits at the office instead of sending an office manager to the bank to physically make those deposits. Employees can maximize their time by accomplishing additional tasks during the time that they would be driving to the branch. And, deposits can be made at any time of day with

the same availability as an in-person deposits with no limit on the number of deposits made in a day.

ACH is a simple, secure, and streamlined process for collecting and sending payments electronically via online banking. Instead of waiting to receive checks in the mail, funds are directly debited out of your customer's account giving the ability to utilize funds quickly. There is a shorter time period for verifying the availability of those funds, which gives peace of mind knowing that the transaction won't be returned for insufficient funds later. And, ACH is more secure when making payments to vendors and eliminates the check writing process, saving you money on the cost of checks, stamps, and the time it takes for the check to arrive at its final destination.

When was the last time your business had its annual checkup?

Stop by your local CNB community office or contact your Business Banking Officer to schedule an appointment today.



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CNB Community Shred Days

Canandaigua National Bank & Trust is offering **complimentary shredding** with a secure provider. Simply collect the documents that you would like to securely dispose of and bring them to the **location/date** that is most convenient for you.*

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Honeoye Falls, NY 14472

Greece Ridge
Sat., May 4th 9am - 1pm
2455 West Ridge Road
Rochester, NY 14626

Farmington
Sat., May 11th 9am - 1pm
6183 Route 96
Farmington, NY 14425

*Consult retention guidelines before disposing of a document. Limit of 10 boxes/bags per vehicle.



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Contact a Business Banking Officer at (585) 419-0670, or visit your local CNB Office today.

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*Subject to credit approval. Available to new and existing customers for applications received between April 1, 2019 and June 30, 2019. Loan request minimum of \$10,000 and not to exceed \$500,000. Refinancing of existing CNB debt is not eligible. Advertised rates do not apply to existing customers whose total loan exposure, including overdraft and aggregate loan amounts, would exceed \$500,000 with the new request; automatic payment from a CNB business checking account required. Some restrictions apply. After the introductory period, the rate will adjust to CNB's standard variable rates respective to the original loan amount requested. Wall Street Journal (Prime) is 5.50% as of April 1, 2019 and is subject to change. SBA Guaranteed Loans are excluded from the introductory rate offer, but qualify for advertised fixed rates for the full term of the loan. Deposit products - Member FDIC

For more information, visit CNBank.com/Commercial, one of our Community Bank Offices, or call us at (585) 394-4260.