

CATHAY BUSINESS CONNECT

SUMMER 2016
CATHAYBANK.COM



Growth Strategies for Your Business

Welcome to the summer issue of *Cathay Business Connect*. Now that we're entering the third quarter, you might be thinking about next steps to thrive in today's competitive business climate. If so, this issue contains useful strategies on streamlining operations, increasing reach and revenue, as well as obtaining financing.

A **business credit card** from Cathay Bank can help you run your operation more efficiently. Use your business credit card to prevent co-mingling of personal and business finances, simplify paperwork, monitor employee spending and boost your business credit profile.

If you've been thinking about **expanding into e-commerce**, see the article on page 2. We provide recent data about online sales and offer important insights into what you should consider before making a move.

See page 3 for creative **investment ideas** to take your business to the next level. Are you interested in acquiring another company, creating new products or services, or making your brand more visible? We offer valuable tactics that can lead to increased growth and profitability.

On page 4, you'll find useful information about financing, and the **"Four C's" of business loans**. Whether you need operating capital for a new venture or it's time to reinvest in durable goods, Cathay Bank can help. Our Account Officers are available to discuss your current financial situation and explore all available funding options.

Cathay Bank offers convenient banking solutions to fit your unique needs and help you achieve your goals. As always, we thank you for your business.

Mr. Irwin Wong
Senior Executive Vice President,
Chief Operating Officer

4 Ways a Business Credit Card Could Help Your Business

Is your business still using cash, checks or personal credit cards for everyday business expenses? One way to improve your business operations is with the use of a business credit card. A business credit card is a smart alternative that can meet the needs of your growing business in a variety of ways.

- **Separate business from personal.** Without a business credit card, you may find yourself co-mingling personal and business finances often. This can make separating the two difficult and jeopardize your personal finances unnecessarily. Using a business credit card can prevent business debts from appearing on your personal credit reports.
- **Establish a positive credit history for your company.** Good use of credit will create a favorable credit profile for your business. This can help in securing future loans for expansion.
- **Simplify business purchases.** A credit card under the company name is one of the easiest ways to allow multiple people in your company to make business purchases that are easy to track. This can reduce paperwork and help promote transparency in your business.
- **Make budgeting easy.** Having expense information easy to access through a credit account can make it simple to categorize and add up your business costs. This kind of tracking can also be useful for spotting tax deductions.



To learn more about how a business credit card could help improve the way your business operates, contact Cathay Bank at **1-800-922-8429** or visit us online at **www.cathaybank.com**.

Credit cards are issued by First Bankcard, a division of First National Bank of Omaha.



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Ready to Take Your Business Online? Consider Costs First

Online retail sales continue to grow, spurred on at least in part by consumers' rapid adoption of smartphones and tablets. With \$300.6 billion in consumer online retail sales in 2014 projected to grow to \$530.6 billion in 2020, growth in the U.S. remains steady at a 9 percent compound annual growth rate, according to Forrester Research.* E-commerce could be a brilliant way to grow your retail business.

THINK IT THROUGH

But before you rush to put a shopping cart on your website, it's wise to consider how your costs might increase, then create a budget to help your business grow strategically, without drying up cash flow.

 **Inventory** – Will your current space be able to handle increased inventory? You may need more warehouse space or the services of a fulfillment house. Will you need a new inventory tracking system?

 **Shipping** – Which carrier(s) will you use, and at what cost? Will the volume be high enough to allow you to negotiate bulk shipping discounts? Also consider costs for shipping materials and their storage.

 **Customer service** – Customers may have different needs and expectations when shopping online rather than in person. They may want

more detailed information about products than they can glean from your website (be sure to use product photos prominently). And they likely expect a prompt response when they send an email with an inquiry or complaint.

 **Photography** – High-quality photos and videos (if appropriate) of your products are key when customers are unable to see or feel the product directly. As you add to or update inventory, you'll need to update the photos, as well.

 **Marketing** – You may need new online marketing channels to promote your online business, such as social media, blogging, paid and/or organic search engine optimization (SEO) and email marketing.

* Source: Forrester Research, "The Evolution Of Global eCommerce Markets," Feb. 5, 2016.

COUNT ON US

Merchant card services from Cathay Bank make accepting card payments online easy. With our equipment and supplies, you can be up and running in a flash, and we offer exceptional service and support. Contact our account officers at **1-800-922-8429** to learn more.



4 Strategies for Growing Revenue

The bottom line is important in running a successful business, but don't forget about the top. Investing in strategies to grow and expand your business means putting time and resources on the line, but the return is what allows you to raise the bar.

1 Fresh advertising. Try something different to get attention. Take a chance on promoting a creative new offer or advertise in uncharted territory to drum up new business. Consider sponsoring a charitable event or local sports team to ramp up your community presence. Seize opportunities for new ways to get your brand out there – and don't underestimate the power of a clever T-shirt with your logo on it.

2 Distribution done differently. If appropriate, consider teaming up with a non-competing company in a cross-marketing campaign. If your business is a salon or spa, for example, you could partner with a massage therapist or tanning salon to reach more customers. Think about new ways your products or services can be received – does your product complement the service line of another company, or vice versa? There may be opportunities to reach new clients, or get more exposure for your products or services.

Internet distribution is another intriguing option – but be sure to do market research to determine whether it's worth the cost.

3 Extending product/service lines. Creating a new line of products or services is another way to increase revenue potential. Research line extensions and determine a target return on investment before launching something new. You may add a product or service that customers are asking about, or you could target new customers with something outside of your core business.

4 Acquiring a perfect fit. A sure-fire way to expand is to acquire a company that already has products and services that fit into your market. This delicate move requires in-depth exploration – integrating people, operations and inventory could prove to be a boon for business, or a burden.



Try something different to get attention. Consider sponsoring a charitable event or local sports team to ramp up your community presence.

GROW WITH US

Investing in your business when profits are up seems natural; it's not so easy to strategize for growth during down times. However, there's opportunity in positioning for growth whether business is up or down. When the timing is right for your business, see Cathay Bank for business loans to help set your plans in motion.



LUCKY DATES

These "lucky dates" are provided for entertainment purposes only. The "lucky dates" were provided to us by a third-party source unrelated to Cathay Bank and derived mainly from the *Bai He Ming Almanac*, and other sources including the Internet and the *Tung Shing*. Cathay Bank does not endorse, sponsor or guarantee the use of this information, and makes no warranty or representation regarding the accuracy, reliability or results that may be obtained from the use of this information.

OPENING A BUSINESS	Days Suitable for ...	Days Unsuitable for ...
July	1, 7, 8, 14, 16, 19, 26, 31	3, 4, 6, 9, 13, 17, 20, 21, 23, 27
August	5, 13, 14, 25, 26, 27, 28	1, 2, 4, 6, 10, 11, 19, 20, 22, 23, 24, 30, 31
September	6, 8, 13, 14, 24, 26, 28	1, 3, 4, 7, 9, 10, 11, 17, 19, 21, 22, 23, 29
SIGNING CONTRACTS	Days Suitable for ...	Days Unsuitable for ...
July	1, 7, 8, 9, 12, 14, 16, 26, 31	4
August	10, 13, 14, 15, 26	11, 23
September	6, 8, 14, 26	N/A
TRAVEL	Days Suitable for ...	Days Unsuitable for ...
July	1, 3, 6, 7, 8, 12, 14, 16, 21, 24, 26, 31	2, 9, 10, 13, 17, 22, 25, 30
August	1, 8, 10, 14, 16, 17, 18, 22, 28	6, 7, 15, 19, 27, 31
September	2, 6, 7, 12, 13, 19, 23, 25, 26, 28	8, 15, 20, 27

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PAGE 2: Ready to take your business online? Consider costs first
PAGE 3: 4 Strategies for Growing Revenue
PAGE 4: How Business Lenders "C" You



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Think Success
Think Cathay Bank

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How Business Lenders "C" You

Have you recently started a business and need to purchase new equipment? Have you been in business for years and are looking to expand? You may be in the market for a business loan. No matter if it's your first time applying for a business loan or it's been a while since you requested financing, Cathay Bank's Account Officers are here to help.

Before applying for a loan, it's helpful to brush up on the National Federation of Independent Business' "Four C's" of business banking.

Capacity. This is your ability to repay the loan. One of the most important financial documents your Account Officer will need to see is your cash-flow statement. It helps us analyze the loan request and determine if you have the capacity to repay the loan in a reasonable amount of time.

Capital. Do you have supporting documentation to justify the amount of money you need? It can be more difficult to get a larger loan, so it's best to meet with an Account Officer to determine the loan amount that is right for your situation.

Collateral. Valuable property, such as real estate, inventory or accounts receivable, may be required as security for business loan approval.

Character. Although financial matters are important, we also consider your integrity, business spirit and commitment to your community.



Your Account Officer will be happy to explain how the four C's work together; discuss business loan options, rates and requirements; and help you through the application process. To learn more or make an appointment, call **1-800-922-8429**, visit www.cathaybank.com or stop by any branch.