

University of Windsor Odette School of Business

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Mission

**BUILD
FEED
POWER**

Vision

“To develop the next generation, trading company fueled by the best entrepreneurial and creative minds”

Key Issues

1.) How to create disruptive change

2.) Are we efficiently deploying our human technological and financial capital to help us achieve our vision?

3.) Funding

Key Drivers

- ▶ Cash cycle conversation
- ▶ Inventory turnover
- ▶ Value gross profit more than sales
- ▶ Return on capital invested

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Current Financial Situation

▶ Recovery in sales - \$ 188.72 million for 2017 (meets 2014)

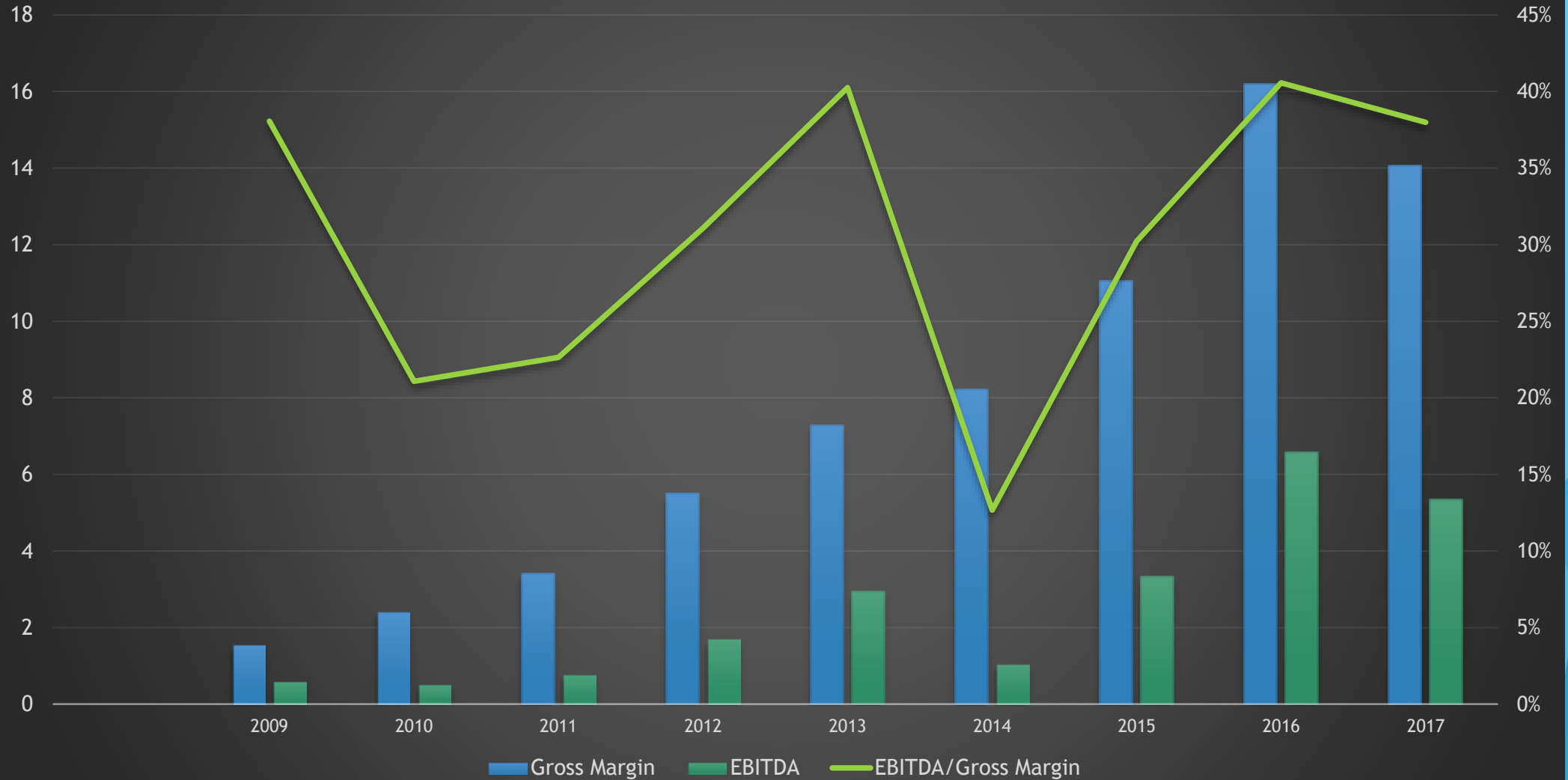
▶ **Gross profit:**

- \$3.64 million - CWP Energy
- \$1.13 million - Grain St. Laurent
- \$9.29 million - Canadian Wood Products

▶ **EBITDA:**

- \$0.5 million - CWP Energy
- \$0.1 million - Grain St. Laurent
- \$4.74 million - Canadian Wood Products

Vertical Financial Analysis



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Financial Future

GOAL:

\$50 million in Gross Profit, \$16 million in EBITDA by 2020

Available Resources:

- ▶ 5 million in EBITDA from previous year to be reinvested
- ▶ 8 million projected EBITDA for the current year
- ▶ 100 current employees amongst divisions
- ▶ **5 AI employees**
- ▶ Mezzanine Financing available for additional capital

Alternatives

1

- Heavy Investment in Internal R&D

2

- Supply Chain Integration

3

- Acquisition of a Tech Based Financial Trading Company

Alternative 1: Heavy Investment in Internal R&D



- 100% Control
- Potential to “hit the jack pot” on next big thing

- Time Commitment
- Unpredictable
- High Cost to Benefit Ratio

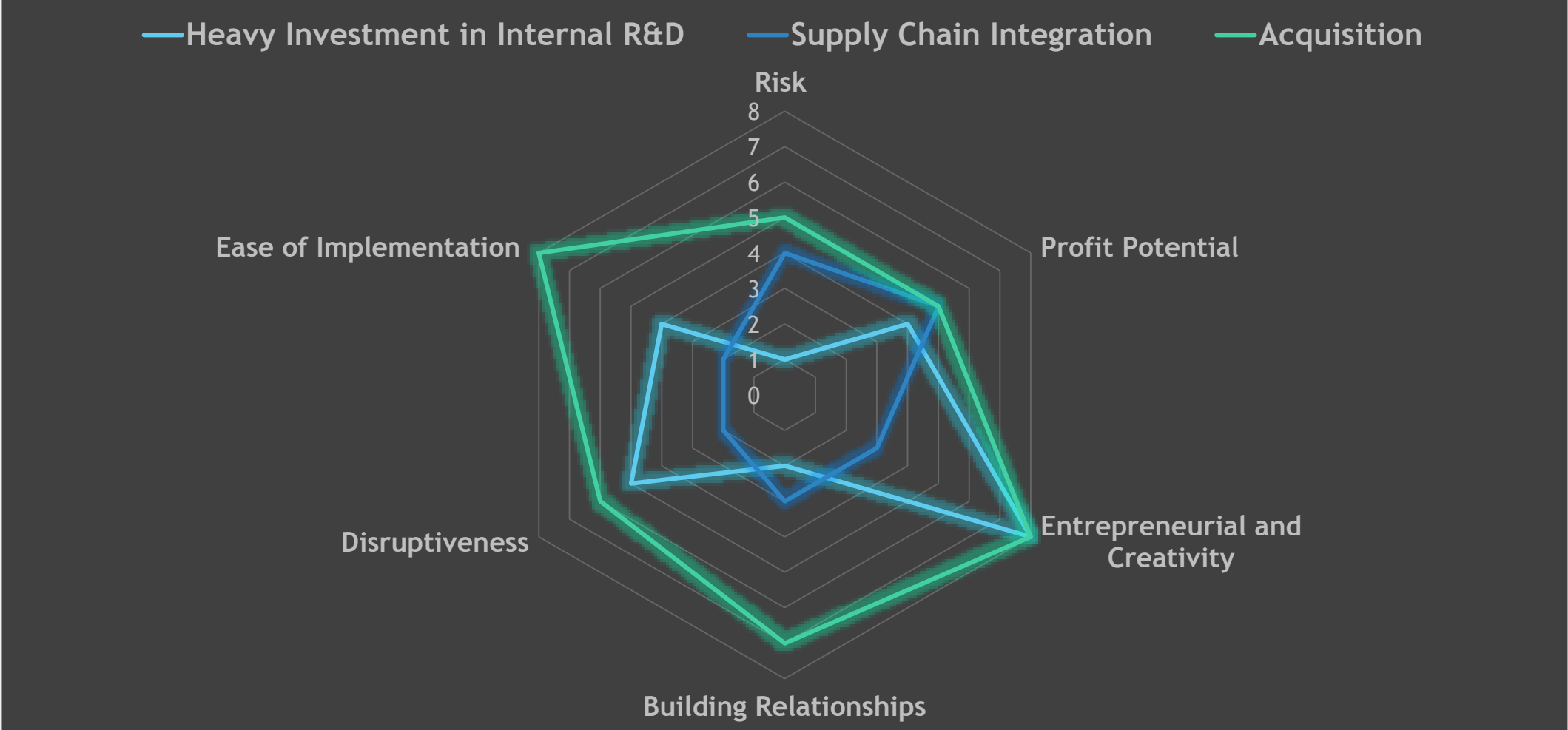
Alternative 2: Supply Chain Integration



- Increases cash cycle conversion
- Logistical improvement

- Capital outlay
- Lack of expertise
- Divesting from current 3rd party contractors

Radar Map



	Heavy Investment in Internal R&D	Supply Chain Integration	Acquisition
Risk	1	4	5
Profit Potential	4	5	5
Entrepreneurial and Creativity	8	3	8
Building Relationships	2	3	7
Disruptiveness	5	2	6
Ease of Implementation	4	2	8
<u>TOTAL</u>	<u>24</u>	<u>19</u>	<u>39</u>

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Recommendation and Implementation

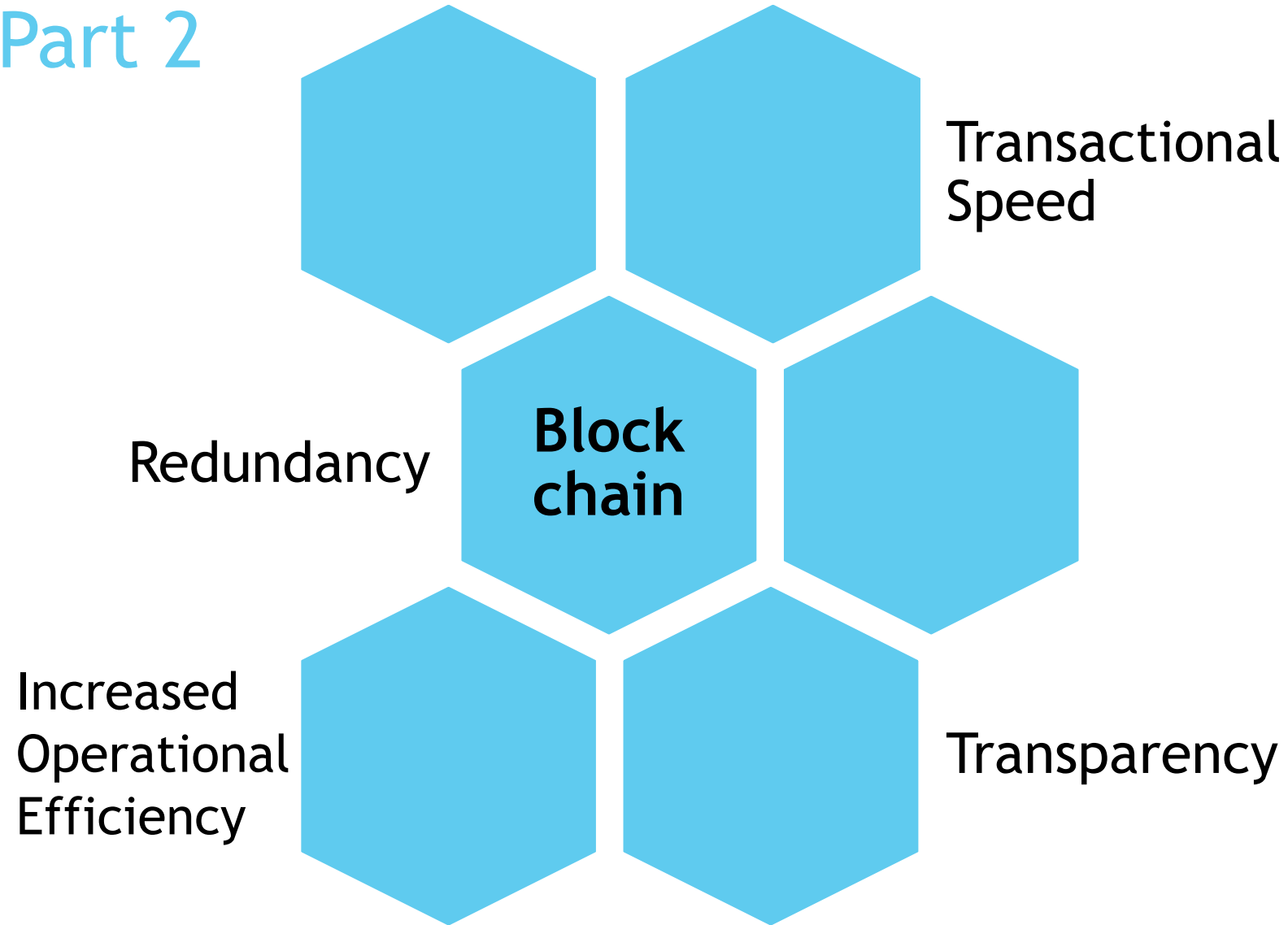
Part 1 - Acquisition

1.) Prospect and Acquire

2.) Integrate New Technologies

3.) Operationalize Technologies

Part 2



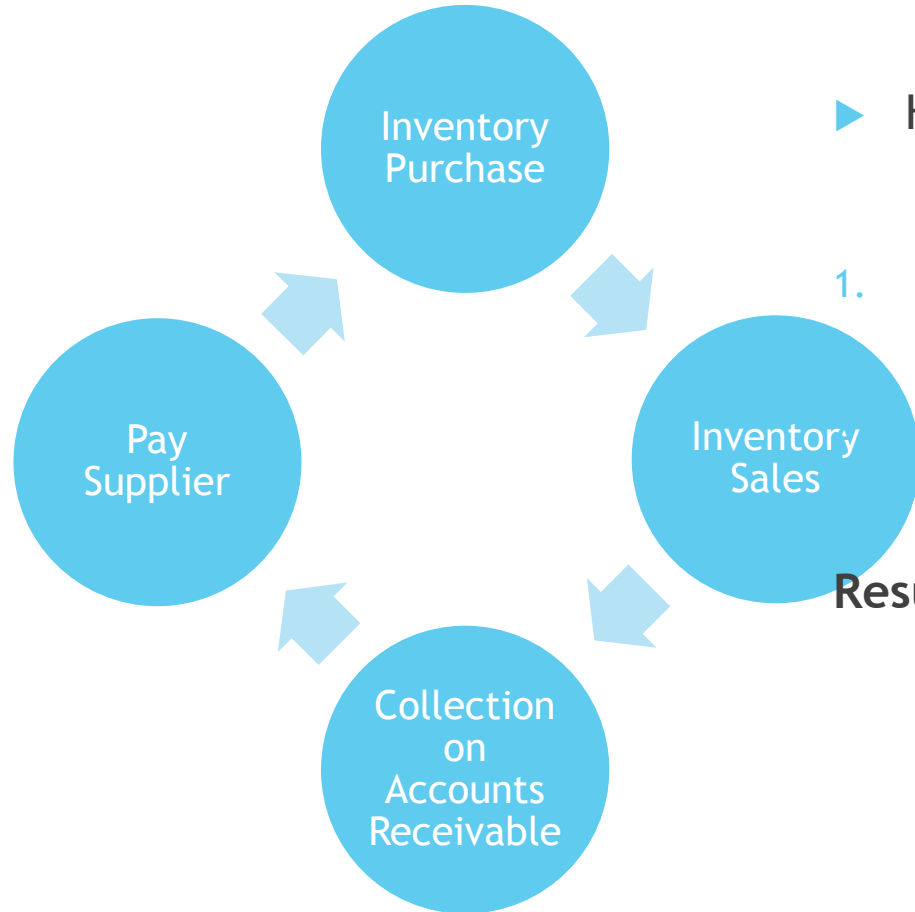
Part 2 - Tangible Inventory Predictive Technology

- ▶ Create or acquire blockchain framework
- ▶ Disseminate blockchain nodes to all suppliers and buyers
- ▶ Operationalize blockchain - go live
- ▶ Begin collecting data
- ▶ Maintain distributive inventory ledger

POWER - Budgeted Costs of Implementation

Task	Upfront Cost (\$)	Long-Term Benefit
Blockchain	Purchase of License to operate framework - \$250,000	Access to timely information for decision making
Prospect and Acquire	Purchase of Corporation - \$5,000,000	Provide necessary AI resources to mine appropriate open-source data
Integrate Technologies	Use of the 5 current R/D employees, as well as labour from purchased corp	A single intra-connected enterprise resource network across all functions
Operationalize new Tech	Appropriate training- 10 employees for one month (\$30,000)	Shorter Cash Conversion Cycle
Corporate Social Responsibility	Planting Trees, volunteer work - \$200,000 for a team of five	Greater public relations, improved company image

POWER - Effect on Cash Conversion



▶ Holding A/R constant:

1. Inventory cycle reduction - due to quicker information available
Shorter Operations Cycle

Result - higher cash cycle conversion

POWER - Financial Projections (in millions)

		2017	2018	2019	2020
Sales	\$	188.72	\$ 207.59	\$ 249.11	\$ 373.67
Gross Profit		14.06	18.28	31.07	55.93
EBITDA	\$	5.00	\$ 8.00	\$ 13.00	\$ 17.00

Corporate Social Responsibility

Goal: Sustainability

- ▶ McGill St. Laurent Tree Days
- ▶ Environmental Awareness Events

Risk and Mitigation

Technology transferability

- Risk assessment
- Review of KPI's


AI conducting more trades

- Risk Committee

Timeline

Tasks	Time
Prospect and Acquire	6 - 12 Months
Integrate New Technologies	1 year+
Operationalize Technologies	2 years
Blockchain	2.5 years
Decimemide Nodes	3 years
Operationalize Blockchain	3.5 years
Collect Data	Ongoing
Maintain Ledger	Ongoing

Developing the Next Generation Trading

The background features a series of overlapping, semi-transparent blue triangles and polygons of various shades, ranging from light sky blue to deep navy blue. These shapes are arranged in a dynamic, abstract pattern that suggests movement and modernity, primarily concentrated on the right side of the frame.

**BUILD
FEED
POWER
RESPONSIBILITY**

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the frame, creating a modern, layered effect.

Thank you

Questions