

SPECIALTIES

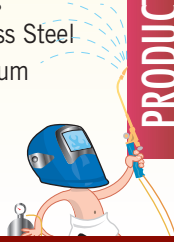
- WF Beam
- I-Beam
- HR Channel
- HR Sheet & Coil
- CR Sheet & Coil
- HR Plate
- Flat Bar
- Round Bar
- Square Bar
- Rect. Tube
- Round Tube
- Pipe
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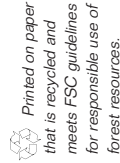


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HOTEL ANDAZ OPENS



This past January 8th, the 14-story Hyatt located on Sunset Boulevard in West Hollywood was transformed into a hip, contemporary hotel called the Andaz. Paragon Steel was contracted to provide many of the steel elements in the lobby area and entrance to the boutique hotel, including an exotic wine rack. Visit our Web site in the coming weeks for a complete look at this exciting and beautiful work of steel art. Lombardi Construction was the General Contractor on this project.

PARAGON STEEL

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CASH FLOW TIPS

By Jim Stavris



It is easy to manage your budget when there is plenty of money in your account. But, when sales go down and customers don't pay as regularly, the cash stops flowing. Then what do you do? For many customers, it is a problem, especially when they are not used to having cash flow problems. For companies that always have poor cash flow, they are experienced and have existed for a long time without a financial safety net. But for many, the notion of operating without sufficient cash flow is frustrating and downright frightening. These companies are not used to receiving collections calls, facing orders held for payment and dealing with customer excuses for non-payment.

For me, the most important aspect of managing cash flow is first and foremost being honest with yourself, and then being honest with your vendors, customers and employees. It doesn't do anybody any good by hiding the truth. Cash is tight. Most of us are feeling it in our own expenses, so why should businesses be any different? But, it is how we deal with it that makes the difference. I try to be as honest as I can with vendors and customers alike. Most suppliers can understand the situation since many of their customers are in

the same economic boat. As our new president has said, "We are all in this together." I have assembled seven valuable tips that if followed, will certainly help your cash flow.

1 Assemble a budget and a cash flow projection—It is critical during periods where sales are declining to get a firm handle on your overhead expenses. Know what needs to be paid and when. If you can defer bills, do so. Try to match payment requirements with the timeframe that you anticipate receiving customer receivables. That way, you can meet your commitments. Don't promise what you cannot guarantee.

2 Accelerate collections—Offer customers discounts to pay invoices early. Invoice quickly, so the clock starts ticking sooner for when payments will be due. Request deposits for special orders or those that require material acquisition. Invoice more frequently (on the 1st and 15th) instead of once a month for larger orders.

3 Talk to your vendors and negotiate extended payment terms—Most vendors will be much more agreeable to extended terms if you discuss it with them up front rather than wait until the bills are due. Request split shipments or just in time arrangements to spread out your cash flow.



QUOTE OF THE MONTH

Can anyone remember when times were not hard and money not scarce?

—Ralph Waldo Emerson, 1890

4 Control inventory—When cash is tight it makes sense to reduce inventory purchases. Only bring in those items that you will be utilizing in the next 30 to 60 days. Sell off inventory items that you are not using to turn them into cash.

5 Cozy up to your banker—This is the time that you need to reinforce your banking relationship. Do not hide from your banker, as it will only make him/her more concerned. Perhaps see if you can get a larger line of credit for a limited time period.

6 Manage your credit cards—Credit card debt is usually more expensive, but it is a source of cash. If you use credit cards, try to pay them off quickly to limit the interest expense.

7 Finally breathe, inhale and then exhale—Most of us are not wired for this kind of stress. But experience has taught me that cash flow problems are usually temporary. Unfortunately, they are a business reality. You will survive...

2009 DONATE LIFE RUN/WALK



On April 25th, Paragon Steel will once again support the Donate Life Run/Walk at Cal State Fullerton. We are requesting donations and Paragon Steel will match the amount of donations received. For additional information, please visit the Web site: www.donateliferunwalk.org. This is a cause that we actively support since I personally owe my life to the generosity of organ donors. We appreciate all of your support.