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Corporate Risk Capabilities Enhanced with The 5 C's

(CEDAR RAPIDS, IOWA, NOVEMBER, 2016) – Modern business problems require innovative solutions. Whether your organization is asset-based, asset-light, or a mixed-capacity enterprise, TrueNorth's Corporate Risk Solutions team has engineered an integrated workforce optimization platform to help coordinate your company's liability, workers compensation, employee benefits, and contractor risk programs within one singular, cohesive strategy.

TrueNorth takes a holistic approach to managing business risk while being considerate of the way organizations compete for **Control, Cost, Capital, Cash flow, and Collateral**. The 5 C's of Risk Financing were developed by TrueNorth as a means to weigh risk on a corporate level and consider input from strategy, operational, and financial team members. Once implemented, the 5 C's generate a process-driven approach that reduces costs associated with risk in a long-term, sustainable way.

Implementing the 5 C's will prompt your organization to conduct a collaborative assessment. This process yields transparency and direction, and in turn, minimizes the overall cost of risk. The 5 C's are designed to keep the enterprise mindful of the following:

Control. At TrueNorth, we define control as an organization's thorough identification of business risk and their ability to regulate it. It also includes a fair assessment of how cost is allocated. Control is fundamental to making sound decisions when designing risk retention, risk transfer, and ultimately risk-financing strategies.

Cost. When insurance is considered nothing more than a purchasing activity, organizations can easily be controlled by a process that only serves to benefit insurance brokers and underwriters – not the business or their plans for strategic growth.

Cash Flow. It seems counterintuitive, but significant growth creates a negative cash flow. Once an enterprise has reached an active state of growth, any initiative the enterprise takes on to sustain healthy growth must first use cash in order for the organization to eventually create it. Cash flow considerations greatly impact how much risk an enterprise can take on.

Capital. Every business has an internal rate of return. If the rate of return to owners can serve the company more than it can an insurance business, it is a sign to focus the organization on continued, sustained growth.

Collateral. As an enterprise grows, claims will naturally increase, along with larger deductibles. In the transportation industry, many motor carriers have significant collateral tied up in LOCs to support their insurance programs and this significantly limits any ability to improve and invest in growing their business.

The 5 C's are not intended to be weighed equally at all times or in every situation. Risk financing, like other financial decisions, must support the overall strategic plan, including changes to structure, ownership and planned perpetuation. "TrueNorth's 5 C's provides an inventive and comprehensive method for transportation companies saddled with increasingly complex risk," said TrueNorth EVP, Jason Smith. "In an environment where companies often feel pressure to 'do more with less,' The 5 C's establishes a platform with cultural staying power."

Learn more about TrueNorth's 5 C's program by visiting <https://truenorthcompanies.com/transportation/enterprise-risk-management/default.aspx>.

About TrueNorth

With headquarters in Cedar Rapids, Iowa, and locations across the United States, TrueNorth specializes in assisting transportation companies and their people with protecting and maximizing assets, resources and opportunities. For more information, visit www.truenorthcompanies.com.