

Post Pandemic

Cash Flow Analysis



Small to Mid-Sized Manufacturers are essential to the Economy, and Cash is essential to their sustainability.

Today, more than perhaps ever, Small to Mid-Size Manufacturers (SMMs) are faced with cash flow management challenges.

The disruption of the recent pandemic caused many hidden and risk oriented impacts to the foundation of manufacturers. The ability to quickly assess and identify the most significant drivers for the cost of doing business must be closely examined. In the loan and financial sector, Senior Lenders are now demanding and expecting a level of detail for Cash Flow, Vendor Negotiation, Account Collections and Week to Week Payroll needs from their clients. Senior Lenders want to know their clients will stay in compliance and have a process to keep the communication open, even if there are issues that need to be addressed.

OBJECTIVE

As SMMs begin restoring their businesses, this is a very important opportunity, system and critical market need. Business leaders will be provided a transparent tool for establishing effective plans to sustain and drive cash flow and compliance reporting. The Cash Flow Analysis provides a model that helps you look at payroll, accounts receivable and accounts payable with concise data and not emotion. This allows all the stakeholders to have a shared investment and to easily see how the forecast will affect them.

Business leaders must be able to effectively demonstrate their understanding of the Cash Flow of the business.

- This service allows business leaders to communicate to all stakeholders. It helps companies navigate the cash flow needs on a weekly basis so that informed decisions can be made.
- As a forecast, it allows you to see how to ramp up your business after it has been shut down or partially shut down.
- It looks at the Paycheck Protection Program (PPP) money, if you received any, all debt service requirements, and allows you to easily look at your vendor base to help communicate a plan.
- It calculates your collateral position weekly for borrowing based compliance.

BENEFITS

This Cash Flow Forecast gives a company a road map to see what the collateral position of the company will be based on the assumptions made. To realize Cost Savings related to New or Retained Sales, Workforce Development, Cost Avoidance and Workforce Retention. The tool can be established as a standard practice for managing the sustainability of the company.

What is the process?

Once the Cash Flow Analysis is initiated, cost savings are incorporated into the model for forecasting. We establish a cash trigger list that lists activities that can be implemented and justified through the model. We also look at cost avoidance as we analyze all aspects of the business. This is something that is being required by Senior Lenders and is needed to help navigate the current situation and moving parts in the marketplace.

What is needed?

Any system can be integrated into this model with simple downloads into Excel. If you have a good working knowledge of Excel or a basic understanding, this model can be easily learned.

TARGET AUDIENCE

Key Stakeholders will use the output of the data to make informed decisions while the compilation of data will be with the CFO, Controller, or Bookkeeper.

Tool Manufacturers: We have also developed a model specific to the tooling industry. This model incorporates the timing of cash related to progress billings on the tool. It also has a process for potential new tool sales that times the down payment of the tool to the material purchases so that cash is aligned with the vendor payments.

INVESTMENT

Price quoted based on initial assessment and project scope.

