

# Better Cash Flow Through Simple Credit Changes



## Strategy: Improve Accounts Receivables turnover permanently

Professional Service Firms have predictable Accounts Receivable (A/R) and therefore, Cash Issues. At our client, collections routinely ran over 120 days. Their largest expenses (salaries) are paid within 10 days outstanding. This imbalance became more problematic as the business was continuing to grow, requiring even more cash. People don't push because of "professionalism." We agree! However, there is no fundamental reason to accept slow A/R turnover. Resolving this does require solving multiple issues, so Jacquard Associates was hired to cause permanent change. **We focused simply and formally on Granting Credit and Collections.** No fights, no nasty calls, and no jeopardizing client relationships.

Success Thread™	Profit Projects®	Highlights & Client Comments
<b>Financial Discipline</b>	<ul style="list-style-type: none"> <li>Accounts Receivable Turnover</li> </ul>	Implemented improvements in both Granting Credit and Collections Practices. <i>"No one will pay retainers! Actually, I think that was more my problem than my clients. I now get retainers almost 90% of the time." Jacquard was right, businesses are being forced to change. Even our clients behavior is changing.</i>
<b>Financial Discipline</b>	<ul style="list-style-type: none"> <li>Cash Flow Management and Modeling</li> </ul>	Established formal processes to track cash and highlight issues ahead of time. Better prediction and cash flow means no screwed up payrolls. Jacquard left upon the transfer of skills to their employees.

### At a Glance

#### : The Client

A successful privately-owned professional service firm supporting attorneys and real estate investment. Business was good, but the cash Demands were bad.

#### : The Goals

Reduce A/R cycle time. Bring management team together, including lower tier. Solve fast to avoid credits.

#### : Project Time Line

10 weeks

#### : The Impact More Profit!

- Reduced A/R days outstanding (DSO) from 138 days to 83 days within 8 weeks

#### : The Impact More Cash!

- Immediately generated cash by simple friendly calls.
- Generated meaningful cash from asking for retainers. 10% of sales
- Management spent more time with fresh ideas and with clients

**The Bottom Line:** Now the owner is focused on client opportunities without being distracted by collections.

Jacquard Associates is a team of hands-on, roll-up-your-sleeves business professionals who help clients identify strengths, raise expectations and improve the way they do business. We help **motivate** people, **streamline** processes, **impose** financial discipline and **create** systems to yield better customer service, faster turnaround, improved sales and enhanced profits.

Our single goal is to provide clients with tools to improve business performance fast. Organizations typically are full of opportunity. Owners and executives have great ideas and increasingly urgent needs. We specialize in transforming those **Ideas to Action** through a set of simple, proven, proprietary tools for improvement. A client's customized program of Ideas to Action may include:

**One-to-One Coaching**, to develop mission-critical personnel

**Wonderments**<sup>®</sup>, highly revealing and effective mini-projects demonstrate the impact of executing fundamental improvement opportunities

**Profit Projects**<sup>®</sup>, longer-term improvement initiatives tailored to the client's needs and implemented by Jacquard and the client's team

Jacquard Associates also helps companies and industry groups develop **performance improvement expertise** through seminars, workshops and focused roundtable discussions.

**Work with us is easy.** We connect the dots between entrepreneurs, managers, investors, and bankers. We also perform certain services that other turnaround firms may not provide, and we are able to seamlessly integrate with any existing professionals in situations that warrant it.

Last but not least, **we put our money where our mouth is:** our fee structure is tied directly to our performance.

To learn more, call us at 847.945.8700 or visit us at [www.jacquard.com](http://www.jacquard.com).

## Industries Served

### *Manufacturers*

Automation – very small to very large  
Automotive Aftermarket  
Bicycle Parts  
Cases “sample and department store”  
Cleaning Supplies  
Clothing  
Consumer Auto  
Electrical Assembly equipment  
Electrical Components  
Fabric Printing  
Food Consumer, Staples, Flavoring  
Forgings  
Grinding  
Home Builders  
Jukeboxes  
Kitchen Assemblies  
Medical Equipment  
(hospital and private practice)  
Medical Test Equipment  
Metal Forming  
Mops  
Packaging – dangerous material  
Packaging – temperature controlled  
Packaging Materials  
Plastic Extrusion (consumer parts, plastic wood, electrical parts)  
Point of Sale Displays  
Printed Circuit Boards  
Printing (commercial, display, label and fulfillment)  
Specialty Albums  
Test Automation  
Valve Regulators  
Vending Machines

### *Distributors*

Collectibles  
Electronic Assembly Equipment  
Ethical Drugs  
Exotic Metals  
Factory Automation  
Fulfillment (various)  
Ice Cream  
Janitorial Supplies  
Jewelry  
Manufacturing MRO Supplies  
Medical Supplies  
Screen Printing  
Specialty Foods  
Used Production Equipment  
Wholesale Foods  
Wines & Beverages

### *Service*

Audio Visual Systems  
Banking – mid market lending  
Communication Software  
Contractors (general, electrical, HVAC and plumbing)  
Engineering  
Environmental Testing  
Industrial Cleaning and Coating  
Investment Bankers  
Marketing  
Point of Sale Marketing  
Public Accounting  
Publishers  
Surveyors  
Telephone Systems

### *Retail*

Carpeting  
Clothing  
Jewelry  
Music and Games  
Restaurant Chain  
Toys