



Cash Flow Management & Modeling

Jacquard's Cash Flow Management Project™ provides your company with tools to help manage your cash instead of having cash manage you. When your company has good cash flow management, your accounts receivable collections improve, suppliers are more cooperative, your bank is easier to work with and extraordinary costs are avoided. Predicting cash flow elements and reacting accordingly is far simpler than people believe when you have a formal process.

Experiences

- Regular weekly payments improves relationships with key suppliers
- Weekly check-runs create a larger pool of cash and stretches further than many small checks to a few suppliers
- Important payments are easier to remember with forecasting and a cash flow spreadsheet

Principles

- Always forecast
- Better predictions improve communication and the ability to move forward
- Never hold, float or send a post-dated check

Goals

- Manage and forecast cash
- Pay suppliers on a consistent basis
- Enforce a positive cash balance

Subprojects

Level 1

- Weekly Cash Flow
- Short-term Forecasting – Revenue & Expenses
- Weekly Payment Schedule
- Breakeven Cash Analysis

Level 2

- Long-term Forecasting – Revenue & Expenses
- Key Supplier Management
- Accounts Payable Review & Process
- "What If?" Scenarios

Measurements

- Weekly revenue & collections
- Accounts payable dollars over 60 days
- Accounts receivable dollars over 60 days
- Total weekly # of supplier held shipments

Deliverables

- A formal process capable of forecasting cash
- Base for tracking ratios
- Trend analysis tools

"Backorder issues were plaguing our company. Customers did not pay on orders unless they received full orders. Because of this policy, 35% of inventory was being shipped without receiving income. A/R couldn't balance with A/P. Jacquard's cash flow process identified the problem and we were able to change our A/R process to support our inventory expenses with on-time payments for shipments!"

—Owner
Clothing Manufacturer

Jacquard's Profit Projects®

- Straightforward, proven and universally applicable
- Focused and customized to a company's unique needs
- Easily understood by all employees
- Take only 16 weeks to complete

What they do for you ...

- Improve customer delight
- Build greater market share
- Increase profitability and cash
- Strengthen leadership
- Align people with company goals