

Cash Flow Checklist

Congratulations! Cash flow problems can drive the demise of a business but you appreciate the validity of the phrase “cash is king.” Use the checklist below to ensure you implement and maintain an accurate model.

1. Plan for change

Cash flow models tell you what will happen when you gain or lose orders. Have Plan B ready.

2. Forecast sales

Even if sales change week to week, forecasting will help keep a realistic tally of your expectations.

3. Forecast collections

Know who pays you and when. Call them when they disappoint you. Don't wait!

4. Be suspicious of inventory (manufacturing) or capacity (service business)

Both look pretty on paper, but they eat cash.

5. Schedule bill payments

Don't react to bills. If you see a cash flow issue forecasted in a month, ask the vendor for flexibility. They'll usually accept your request and offer leniency on future issues.

6. Plan for bills

Don't get caught with a “gotcha” bill. Looking forward a few months will remind you about the big, infrequent bills you need to plan for.

7. Write down your cash flow assumptions

Examine the ridiculous ideas in your managerial head. Review them for common sense.

8. Review the cash flow model with others

Pick a trusted advisor, your spouse, or even the family pet. Just say it out loud.

9. Don't hide!

If your cash flow model is forecasting bad news, turn to Plan B and start moving.

Take control of your cash flow challenges once and for all.
Contact Newpoint Advisors for more information on Cash Flow Launcher.
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