

How to help your business succeed!!

When was the last time you had a surprise with a cash balance, cash availability, receivables, inventory, a job, and the list just keeps going. Did you go into fire fighting mode to put the fire out, only to get swamped with the next problem?

When we interview our new clients, we ask what processes they have in place for reporting and the frequency of this reporting. It is no longer a surprise to hear that a process isn't in place, or is in place - but not followed, that it isn't meaningful, or "I'm too busy to deal with it!"

Every business has these issues, as well as the opportunities, to convert these issues into assets, providing management with weekly barometers on what is vital for that business' success. There is a good chance that some of these issues are issues similar to those which many companies deal with, but more specific reports are provided as well, which are necessary for those aspects which are unique to each company.

Your goal, as you think through this, is to determine what information would be helpful to you in summary form, and what information would be necessary to have in detail. I have provided some general ideas below that will hopefully help to get you started. I would suggest a weekly frequency to be appropriate for these.

Summary

- Net liquidity

	6/5/2009	6/12/2009	6/19/2009
Checking	15000	35000	45000
Receivables	65000	40000	50000
Inventory	10000	12000	15000
Less Payables	-45000	-35000	-40000
Less Credit Line	-15000	-15000	-15000
Less Other Current liabilities	-25000	-20000	-20000
Net liquidity	5000	17000	35000

- Credit line availability
- Backlog of open orders

Detailed Reports

- Accounts receivable aging
- Accounts payable aging
- Inventory
- Job costing

Now the question comes down to "who" in your company has the ability to pull this together and "who" should be handling it. For the detailed reports, if you have an accounting staff, calls should already be noted on the receivable aging, concerning actions to be taken for past due balances. Inventory over/under stock, coupled with back order problems, need to be worked through. With regards to job costing, how are you tracking the best use of staff, compared to budget.

