

Are You Focused On Cash?

Businesses are successful or fail based on how well they manage cash. It is not a function of accounting. Rather, all senior leaders should be focused on maximizing cash flow.

Place an x on the spectrum below for each aspect of cash management

Do you and your senior leaders:	Strongly Agree	Strongly Disagree
know how much liquidity you need through seasons and cycles?*		
actively manage your overall liquidity?		
see your cash balance, major inflows and major outflows every day?		
have a process for following up with past due receivables?		
see past due receivables with actions being taken on a weekly basis?		
have a process to address slow moving and obsolete inventory?		
know how many days of inventory are on hand?		
actively work to minimize the amount of inventory on hand?		
have strong relationships with customers and suppliers?		

* Liquidity is how much cash you can access, in terms of cash on hand and debt

How did you do? If you have more answers that lean toward the disagree side, you are leaving cash on the table.