

Tools for SMALL Businesses

Level 2 Question: Do we have full transparency as to where we spend our money - and do we follow up on budgets and cashflow?

Title	Cash-to-cash improvements
Why	"Growth eats Cash" - As your grow your cash-resources will constantly be stretched to the limit, and even if you have funding, you will need to make the best use of the cash you have at hand.
What	There are many areas, where cash is out of your hands for shorter or longer time. The time form your send an invoice an until your get your cash, the amount of money you have paid out for inventory, that is still sitting in the warehouse. The amount of time you have before you have to pay your vendors. Having a focus on these elements can significantly increase your cash-on-hands.
How	Identify opportunities for improving your cash cycle: <ol style="list-style-type: none"> 1. Sales Cycle: Billing to payment 2. Production/inventory Cycle, Inventory levels, production time 3. Delivery cycle, Time to deliver goods or services 4. Payment cycle, Time from received invoice to payment
Examples	Examples of improvements <ol style="list-style-type: none"> 1. Sales Cycle: Billing to payment <ul style="list-style-type: none"> • Reduce terms of payments from i.e. 30 to 8 days 2. Production/inventory Cycle, Inventory levels, production time <ul style="list-style-type: none"> • Reduce inventory levels • Reduce production cycle time 3. Delivery cycle, Time to deliver goods or services <ul style="list-style-type: none"> • Reduce time of delivery • Reduce cost of delivery, can customers pay for delivery? 4. Payment cycle, Time from received invoice to payment <ul style="list-style-type: none"> • Increase your days of payments to your suppliers.
Template	See next page

Cash-to-cash Cycle Improvement Sheet

	Shorten cycle times	Eliminate Mistakes	Improve P/L
Improvements for sales Cycle			
Improvements for Production/Inventory cycle			
Improvements for Delivery Cycle			
Improvements for Billing-payment Cycle			