

Manage the balancing act of 13-week cash flow forecasts

Striking the right financial balance for creating and achieving a 13-week cash flow forecast involves keeping a close eye on revenue sources and managing payables to avoid negative surprises.

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Relationships with capital providers

Provide visibility into your company's liquidity and financial management efforts, which can reassure investors and provide access to credit lifelines.

Communication with customers

- Check in with clients and customers, particularly your most significant ones, to determine timing and levels of their payments.
- Your customers might be struggling with similar issues. Consider working with them on adjusting payment deadlines.

Discretionary (general and administrative)

Require your management team to justify spend, including:

- Subscriptions and membership dues
- Trade shows and conferences
- Training
- Business travel
- IT-related expenses

Supply chain

- Identify your most important vendors and prioritize payments to them.
- For nonessential vendors, consider delaying or deferring payments, and/or suspending their services.
- Evaluate alternative vendors and materials.

Personnel

Before undergoing head count reductions, consider the following options for decreasing workforce costs:

- Postponing raises
- Eliminating bonuses in the short term
- Changing benefit levels
- Reducing compensation
- Changing personnel to part-time status
- Implementing furlough arrangements

