Conquering Cash Flow

THE COMPLETE GUIDE TO SMALL BUSINESS CASH FLOW MANAGEMENT

By Rob Stephens, CPA
Table of Contents
Chapter 1: The Importance of Cash Flow ................................................ 1
Chapter 2: Keeping an Eye on Cash Flow .................................................. 3
Chapter 3: Creating and Using a Cash Flow Projection ......................... 8
Chapter 4: The Art of Managing Cash Flows ........................................ 15
Chapter 5: Sources of Funds ................................................................. 20
Chapter 6: Surviving a Cash Crunch ...................................................... 24
Chapter 7: A Final Word on Cash Flow ................................................. 26
Chapter 1: The Importance of Cash Flow

“Never take your eyes off the cash flow because it’s the lifeblood of business.”

-Richard Branson

It’s difficult to overemphasize the importance of cash flow to a small business. Fluctuating cash flows are a massive source of stress for small business owners.

A study by QuickBooks revealed shocking statistics about cash flow issues for small business owners:

- 69% of small business owners have been kept up at night by concerns about cash flow.
- More than half of U.S. businesses have lost $10,000 or more by foregoing a project or sales specifically due to issues created by insufficient cash flow.
- 61% of small businesses regularly struggle with cash flow.

How important is cash flow management to the success of your business? A U.S. Bank study found that 82% of small businesses fail because of poor cash flow management skills or poor understanding of cash flow.

Managing cash flow was one of my major roles as the CFO of multiple small and medium-sized businesses. I’ve had to learn how to manage cash flow in the good times and the bad. This guide is a collection of tips and techniques to help you reduce your stress and increase your cash flow.

This guide will help you conquer your cash flow by:

- Helping you get your hands around your current and projected cash flows
- Providing methods to increase cash flow and reduce dips in cash flow
- Identifying critical sources of cash for your business

What Exactly is Cash Flow?
We can’t talk about cash flow until we first agree on what it is.

Cash flow is the amount of money flowing into and out of a business.
That’s all it is. Pretty simple, huh? Yet small business owners are often confused about one major thing about cash flow:

**Cash flow is NOT the same as profit.**

Profit is an accounting concept of revenues (a.k.a. income) reduced by expenses. There are all sorts of rules about when you have revenue or when you have an expense. In fact, the last major accounting standard update on revenue was 700 pages long. Here’s the problem: you can’t pay your bills with profits. Vendors only take real money. Your company’s profit is a good measure of performance but it’s not the only thing to watch. 54% of all companies filing for bankruptcy experienced record sales in the weeks before they filed.

Which is more important: profit or cash flow? As management guru Peter Drucker said, “Entrepreneurs believe that profit is what matters most in a new enterprise. But profit is secondary. Cash flow matters most.”

Let me explain a few terms I will use throughout this guide so you’re clear what I mean by each.

- **Cash:** Cash is money you receive from any payment source. It could be via debit card or credit card payments from your customers. In other words, it’s anything that’s deposited into your bank account that makes the balance go up.

- **Cash Inflows and cash outflows:** A cash inflow is cash that you receive, usually from your customers. A cash outflow is money that you paid or transferred to someone else. The main example is when you pay suppliers or other vendors.

- **Revenue and expense:** These are components of your profit according to accounting rules. These may cause a simultaneous cash inflow or outflow, but not always. For example, you may record revenue from a sale but not collect the cash from the customer until weeks later.

- **Net cash flow or net income:** Anytime you see the word “net” in the world of finance it means that one number was subtracted from another to get to a “net” result. For example, net cash flow is calculated as your cash inflows less your cash outflows. Revenue minus expense equals net income.

You don’t need to be an accountant to understand cash flow. Here’s how easy it is to calculate your cash flow. Grab a bank statement and subtract your ending account balance from your starting account balance. If it’s a positive number, you had positive cash flow. If it’s a negative number, you had negative cash flow. You’ve got this! This guide will make you even better at cash flow management. Before you can manage cash, you need to know how to monitor it, which we’ll talk about in the next chapter.
Chapter 2: Keeping an Eye on Cash Flow

“We were always focused on our profit and loss statement. But cash flow was not a regularly discussed topic. It was as if we were driving along, watching only the speedometer, when in fact we were running out of gas.”

-Michael Dell

The quote above shows that businesses of all sizes can forget how important it is to monitor cash flow. Monitoring your cash flow is not difficult. However, you must commit to stop being buried in the details of the business to check if you have enough cash for the road ahead.

Cash flow mistakes can cause missed opportunities and stress. Worst case scenario, they could be fatal to the company. Below are some classic mistakes made by small businesses:

- Not monitoring cash flow
- Watching historical cash flow but not projecting cash flows
- Thinking you can spend cash if there is money in the bank
- Letting receivables go months past due
- Not starting with enough cash
- Not keeping a cash cushion
- Overspending
- Not saving enough cash to pay taxes

Do any of these mistakes sound distressingly familiar? You’re not alone if you’ve struggled with managing your company’s cash. Knowing these errors is half the battle. The tips and techniques in the next few chapters will help you become a master of cash flow management.

You can monitor your cash flows from three perspectives:

- Historical cash flows
- Cash metrics
- Forward-looking cash flow projections

Let’s dig deeper into each.

Historical Cash Flows

Looking at historical cash flow patterns can help you better understand your business. This allows you to make better decisions about how to manage cash in the present. Most business accounting software systems have reports that show your historical cash flows. Sometimes the report is called a “statement of cash flows”.

The accounting and auditing rules define a standard format for a formal statement of cash flows. This format has three main sections:
• Cash flows from operations: Typical large cash flows in this section are cash receipts from customer sales and cash payments to suppliers and other vendors. It also includes tax payments. A healthy company has positive cash flow from operations.

• Cash flows from investing: This includes cash flows caused by the purchase or sale of equipment, land, buildings, furniture, or investments.

• Cash flows from financing: Financing cash flows arise from cash receipts from owners investing in the company or cash paid out in dividends. It also includes cash from borrowings and cash payments on those loans.

One of the first things to look at on a statement of cash flows is the total net cash flow of each of those sections. You want your cash flow from operations to be positive to buy equipment or other assets (an investing activity). You many need cash for loan payments (a financing activity). You ultimately want cash to pay the owners (a financing activity). You need to find financing sources of cash if your cash flow from operations is running negative.

Your accounting software may not show cash flows in this format or it may have reports in other formats. One of the best historical reports is a list of your cash inflows and outflows by month. This will show if you have “seasonal” cash flows, which is also called “seasonality.” Seasonality just means that your cash flows have a consistent pattern of rising and falling. Later, I’ll show you how to smooth out seasonal cash flows by changing the timing of cash flows. Lines of credit, which we’ll cover in the Sources of Funds section, are also an excellent option for businesses with seasonality.

I was the CFO of an agricultural bank and farmers have months of negative cash flow as they grew their crops. This was followed by a spike of cash inflows at harvest. Nonprofits have a spike in cash inflows at year-end or after a major fundraising event. These businesses learn how to manage their cash flow seasonality.

It’s good to learn if your business has cash flow patterns within a month. For example, you may have higher cash inflows on certain days of the month. You likely have a significant cash outflow on payroll days. One of my main jobs as the CFO of a small company was to make sure we had cash ready for payroll days. You can occasionally bounce a check to a vendor but you should never, ever blow a paycheck. This guide will help you never make that mistake.

Cash Metrics

Cash metrics are ratios of your cash flows over time or your cash balances at a point in time. The amount that’s a good ratio for your company is unique to each industry. The most useful analysis to do with these ratios is to compare your ratios to companies like yours or compare your ratios over time to spot trends. Here are some common ratios for small businesses:

- **Cash Flow Margin Ratio**
  - Definition: Cash flow from operations divided by sales
This is a crucial ratio that tells you how much cash you are currently generating for every dollar in sales. A higher ratio is better.

**Current Ratio**  
Definition: Current assets divided by current liabilities  

Current assets and liabilities are items on your balance sheet that will usually be received or paid in cash in the next year. If the ratio is greater than one, your balance sheet is expected to produce positive cash flow. If the ratio’s less than one, you will need additional cash to pay your liabilities that come due in a year. A higher ratio means you are less likely to run into cash flow problems. Of course, there are all sorts of cash flows that arise from things not on the balance sheet so this ratio is good but doesn’t tell the whole story.

**Current Liability Coverage Ratio**  
Definition: Net cash from operations divided by current liabilities  

Liabilities can be paid by cash on hand (measured by the current ratio) and by cash generated from operations, which this ratio measures. Like the current ratio, higher is better.

**Quick Ratio (AKA Acid Test Ratio)**  
Definition: Current assets (less inventory, prepaid expenses, and supplies) divided by current liabilities  

This ratio removes some assets and is a tougher test of your cash flows than the current ratio. Like the current ratio, higher is better from a cash flow perspective.

**Burn Rate**  
Definition: Number of days the company can operate using only the cash on hand  

This is a crucial ratio for startup companies who have no inflows or not enough to fund their growth. I worked in public accounting in Seattle and many high-tech startups closely monitor this metric. This metric tells you roughly how long you can survive until you need to raise more funds (for example, from venture capital or from current owners).

**Forward-Looking Cash Flow Projections**  
A cash flow projection is the most important financial report for your business yet so many businesses miss out on its benefits. Your forecast doesn’t have to be complicated or fancy. It
just needs to give you an estimate of when your cash inflows and outflows will occur. Pick a
time frame that you think you can reasonably roughly predict (for example, 1 month, 3
months, or 1 year). One option is to have a more detailed projection for the next 1-3 months
and then a rougher projection for the following 4-12 months. I’ll go into more detail in the
next chapter on how to build and use a cash flow projection.

There are numerous benefits of a cash flow projection. They go well beyond the survival of
your company or the ability to have the cash available to capture an opportunity when it
arises. Here are some of these benefits.

- Early identification of potential low (or negative) cash balances: The more time you
  have to make adjustments, the more adjustment options you have. A projection lets
  you know when you need to speed up cash collection or slow down payments to avoid
  a cash crunch. For example, there may be times when you have enough cash to
  quickly pay invoices to capture discounts. Other times you may need to delay
  payment.

- Your bank, investors, or other stakeholders need it: One of your sources for cash may
  be investors or banks. They will want assurance that your company has enough cash
  for operations and to pay them back. The very act of having a cash flow projection
  shows your business management skills and builds credibility with them.

- Operations coordination: The timing of when to hire staff, make significant purchases,
  and distribute cash to owners can all be modeled to make sure your strategy is
  feasible. You may find that you need to adjust the timing or amounts of some of your
  strategies. Not having a projection might cause you to make decisions or promises
  that you can’t fulfill.

- Identify cash “leaks”: It’s easy for small things that suck cash out of the business to go
  unnoticed in daily operations. Reviewing the cash flow projection can show:
    - lags between sales and cash receipt for those sales
    - lags between the purchase of inventory and cash receipt on sales of that
      inventory
    - opportunities to stretch out one set of payments to prioritize another set of
      payments.

- Identify the need to get a loan or a capital infusion: The projection may say that
  operational cash flows will not be enough to fund opportunities for investment and
growth. This means you may need additional cash from lenders or owners.

- Avoid tax penalties: It’s not uncommon for bankers to see companies that are making
  sales but don’t have enough cash to pay the taxes on those sales. Don’t mess with the
  IRS. Be ready to pay your taxes on time to avoid unnecessary penalties.
• You’re more ready for big cash outflows: Taxes aren’t the only payment you don’t want to miss. Preparing the schedule helps you identify big cash outflows like payroll payments for which you may need some time to gather cash.

• Match cash outflows to the seasonality of inflows: Many businesses have a pattern of high cash inflows during certain months of the year and low cash inflows during other parts. At the same time, their expenses may be evenly spread throughout the year. This causes months with positive cash flow and other months with negative cash flow. The projection makes sure you have enough cash built up to cover those lean months.

• Plan out ownership equity distributions: A good cash flow projection for your company allows you to plan your equity distributions. This helps with your personal financial planning.

• Capture Opportunities: Your projection tells you when you will be able to make major investments like equipment purchases. This lets you know when you can start looking for deals on these investments. If you know that good deals often regularly occur during a certain part of the year, you can adjust your cash flows to be ready to capture those deals.

Now that you know the benefits, I’ll show you in the next chapter how to create a projection so you can capture these benefits.
Chapter 3: Creating and Using a Cash Flow Projection

“Failing to plan is planning to fail.”

-Anonymous

I’ve given you both a one-page blank cash flow template as well as a sample template that’s been filled out with numbers. They are in an appendix at the end of this chapter but first I’ll walk you step-by-step through creating a cash flow projection. These simple projections are a good starting point. I use a more advanced and customized cash flow model with my coaching and consulting clients. You can learn more about those services by clicking this link.

The first line of the projection is your beginning cash balance. You want to check this balance for each time period of the projection to make sure it doesn’t drop below a level you are comfortable with. The sample projection below uses monthly time periods but you can do projections by weeks, months, quarters or years.

The projection then totals your operational cash inflows.

- Cash from sales: The main source of cash flow comes from sales. The top line of a cash flow projection is the cash receipt of sales. The cash receipt for a sale could be weeks before or after the sale based on your business. Don’t just use the revenue numbers from your budget or income statement.

- Sales tax collected: For states with a sales tax, there is a line so you can clearly see what you will need to remit to the government. You always want to have this cash ready for payment when it’s due and not dip into it to finance your company.
The next major section totals operational cash outflows.

### Cash Flow Projection

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Paid for Goods</td>
<td>125,000</td>
<td>140,000</td>
<td>150,000</td>
<td>155,000</td>
<td>145,000</td>
<td>162,500</td>
</tr>
<tr>
<td>Salaries</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>25,000</td>
<td>28,000</td>
<td>30,000</td>
<td>31,000</td>
<td>29,000</td>
<td>32,500</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Accounting, Legal, and Consultants</td>
<td>2,000</td>
<td>3,000</td>
<td>10,000</td>
<td>3,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Rent, Leases, and Interest</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Taxes and Licenses</td>
<td>17,500</td>
<td>19,600</td>
<td>21,000</td>
<td>21,700</td>
<td>20,300</td>
<td>22,750</td>
</tr>
<tr>
<td>Travel, Conference, and Education</td>
<td>100</td>
<td>5,000</td>
<td>300</td>
<td>2,500</td>
<td>400</td>
<td>500</td>
</tr>
<tr>
<td>Entertainment and Meals</td>
<td>300</td>
<td>750</td>
<td>400</td>
<td>800</td>
<td>500</td>
<td>600</td>
</tr>
<tr>
<td>Marketing and Advertising</td>
<td>500</td>
<td>500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,000</td>
<td>500</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[C] Total Operational Cash Outflows</td>
<td>275,400</td>
<td>301,850</td>
<td>318,200</td>
<td>320,500</td>
<td>302,200</td>
<td>325,350</td>
</tr>
<tr>
<td>[D] Net Cash From Operations = [B-C]</td>
<td>-7,900</td>
<td>-2,250</td>
<td>2,600</td>
<td>11,200</td>
<td>8,100</td>
<td>22,400</td>
</tr>
</tbody>
</table>

- **Cash Paid for Goods**: Income statements often begin with sales and then deduct the cost of goods sold to arrive at the gross profit. I grouped the cost of goods with all the other cash outflows. Grouping all the inflows and outflows together is a simpler layout for you to track cash. Once again, put the outflows in the period when you actually pay cash for the goods.

- **Salaries**: I recommend putting all your salaries on one line. I put it in the first line of operational cash outflows in my cash flow projection. Depending on your industry, you may record salaries in your income statement in two lines (“cost of goods” and “sales, general and administrative”) but you only need one line in a projection. A cash flow projection focuses on when staff is paid, not where to record their salary costs according to the accounting rules.

- **Other expenses**: The lines after that are your other standard operational expenses like rent, utilities, and marketing. As noted above, put them in the month they are actually paid instead of the month they are expensed according to accounting rules. Do not include any accounting expenses like depreciation or amortization of fixed assets.

The sum of all your operational cash inflows and cash outflows totals your “Net Cash from Operations.” This total is very important. It tells you if your business is producing positive cash flow from your standard operations. You must find supplemental sources of cash for the
company if you have negative cash flow from operations. Positive operational cash flow allows you to make large purchases, pay down loans, or distribute cash to the owners. We’ll talk about projecting these next.

Financing and Equity Cash Flows

Many cash flow projection templates ignore or don’t break out two very important types of cash flows:

- Financing cash flows
- Equity cash flows

You need to understand your operational cash flows before you can start planning your financing and equity cash flows. I recommend first entering the rows for cash from operations sections and any required finance payments in the financing section. You now have critical information to make major financial planning decisions.

Do you have negative operational cash flow or not enough cash for a large investment? This is where you would project how much cash you would need from borrowing money or having the owners invest more equity into the company. The sooner you can identify potential cash issues, the more options you have to adjust your cash flows to minimize these issues.

Do you have a positive net cash flow from operations? Congratulations! You have some exciting options for how to use that cash:

- Invest it back in the business
• Pay down lines of credit or make large principal payments on other loans
• Purchase equipment
• Distribute the cash to owners

In the sample projection, the owner contributed $50,000 to the company and the company borrowed $250,000 to purchase $300,000 of equipment. This will allow them to continue or even accelerate growth. The company is producing enough cash in the projection by the sixth month for the owner to distribute $25,000 back to themselves.

The sample projection shows how positive cash flow can be invested back into the company for growth to enhance future returns to the owners. The projection helps identify that possibility so you can capture it. In addition to investing for a future return to owners, cash was also distributed now for the personal cash needs of the owner. Cash flow planning for a small business must be done in the context of the personal financial planning of the owners.

The key takeaway is that the power of a projection isn’t tapped if you just enter your best guess of all the items and accept the results. Take the time to think through the possibilities and options. Running multiple scenarios both reduces risk and increases reward. I’ll talk more about this at the end of the chapter.

Visualizing the Cash Flow Projection
Graphs help you quickly identify trends, opportunities, and issues. The cash flow projection model I use with coaching clients has a few graphs that I’ll show below. The first two graphs show cash from operations and the ending cash balance.
The sample company in the projection has negative operational cash in January but solid growth in operating cash flow. This could be seasonal cash trends or a much larger trend of growth.

Cash from operations is growing but the company’s cash balances are flat. The company invested $300,000 in equipment for growth and distributed $25,000 to the owner. These are financing and equity cash flows that aren’t included in the operating cash flows of the first graph.

Cash in the bank provides a margin of safety for the company. On the other hand, cash is a very low-yielding asset for your company and can often be invested back into the company for higher future returns. Modeling different combinations of investing or distributing cash allows you to achieve the optimal balance of risk and reward.

Additional Scenarios Provide More Insights

Congratulations! If you followed all these steps you now have a very powerful cash flow projection for your business. The insights you gained from this projection will help you avoid the stress caused by a lack of cash.

Even more exciting, you may have excess cash that you can use to grow your business or distribute to yourself.

Now that you have a baseline projection, you can learn so much more by exploring other scenarios. For example:

- Do you have enough cash to hire staff or buy equipment sooner than you projected in your baseline? Run a scenario to see how much sales and cash flow would increase by investing in staff or equipment sooner.

- What if there was an event that caused cash collections from sales to fall below your projection? Do you have enough cash cushion to weather it? Run a scenario with your best guess of the potential drop in cash. If your cash runs dangerously low, you can adjust other cash flows to plan how you would deal with this situation.

You can save your baseline as a document and then create each of these scenarios and save them with other names. The power of the cash flow projection is in the thought you put into it to contemplate threats and capture opportunities.

You may wonder exactly how to change the timing or amount of cash flows. I’ll show you that in the next chapter.
## Cash Flow Projection

### [A] Beginning Cash Balance

| / | / | / | / | / | / | / |

### Operational Cash Inflows

- Cash from Sales
- Sales Tax Collected
- Other ____________________
- Other ____________________

**[B] Total Operational Cash Inflows**

| / | / | / | / | / | / | / |

### Operational Cash Outflows

- Cash Paid for Goods
- Salaries
- Employee Benefits
- Payroll Taxes
- Office Supplies
- Accounting, Legal, and Consultants
- Rent, Leases, and Interest
- Utilities
- Insurance
- Taxes and Licenses
- Travel, Conference, and Education
- Entertainment and Meals
- Marketing and Advertising
- Other ____________________
- Other ____________________
- Other ____________________

**[C] Total Operational Cash Outflows**

| / | / | / | / | / | / | / |

### [D] Net Cash From Operations = [B-C]

| / | / | / | / | / | / | / |

### Financing and Equity Inflows

- Draw on Line of Credit
- Other Loan Proceeds
- Owner Contributions
- Other ____________________

**[E] Total Financing and Equity Inflows**

| / | / | / | / | / | / | / |

### Financing and Equity Outflows

- Paydowns on Line of Credit
- Loan Payments
- Equipment and Capital Purchases
- Distributions to Owners
- Other ____________________

**[F] Total Financing and Equity Outflows**

| / | / | / | / | / | / | / |

### [G] Net Change in Cash = [D+E-F]

| / | / | / | / | / | / | / |

### [H] Ending Cash Balance = [A+G]

| / | / | / | / | / | / | / |

---

You can find more strategic financial management insights at [cfoperspective.com](http://cfoperspective.com)

Want CFO-level cash flow management guidance and assistance? Check out [my coaching and consulting services](http://cfoperspective.com)

Clients receive a 12 month Excel Template customized to their business that automatically calculates totals.

Note: This is a guide only and should neither replace nor be taken or relied upon as financial or professional advice. Please seek professional advice before making any business decisions.

© 2019 CFO Perspective, LLC
# Cash Flow Projection

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>[A] Beginning Cash Balance</strong></td>
<td>$100,000</td>
<td>$105,600</td>
<td>$101,850</td>
<td>$103,150</td>
<td>$97,850</td>
<td>$104,450</td>
</tr>
<tr>
<td><strong>Operational Cash Inflows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash from Sales</td>
<td>250,000</td>
<td>280,000</td>
<td>300,000</td>
<td>310,000</td>
<td>290,000</td>
<td>325,000</td>
</tr>
<tr>
<td>Sales Tax Collected</td>
<td>17,500</td>
<td>19,600</td>
<td>21,000</td>
<td>21,700</td>
<td>20,300</td>
<td>22,750</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>[B] Total Operational Cash Inflows</strong></td>
<td>267,500</td>
<td>299,600</td>
<td>321,000</td>
<td>331,700</td>
<td>310,300</td>
<td>347,750</td>
</tr>
<tr>
<td><strong>Operational Cash Outflows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Paid for Goods</td>
<td>125,000</td>
<td>140,000</td>
<td>150,000</td>
<td>155,000</td>
<td>145,000</td>
<td>162,500</td>
</tr>
<tr>
<td>Salaries</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>25,000</td>
<td>28,000</td>
<td>30,000</td>
<td>31,000</td>
<td>29,000</td>
<td>32,500</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Accounting, Legal, and Consultants</td>
<td>2,000</td>
<td>3,000</td>
<td>10,000</td>
<td>3,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Rent, Leases, and Interest</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Taxes and Licenses</td>
<td>17,500</td>
<td>19,600</td>
<td>21,000</td>
<td>21,700</td>
<td>20,300</td>
<td>22,750</td>
</tr>
<tr>
<td>Travel, Conference, and Education</td>
<td>100</td>
<td>5,000</td>
<td>300</td>
<td>2,500</td>
<td>400</td>
<td>500</td>
</tr>
<tr>
<td>Entertainment and Meals</td>
<td>300</td>
<td>750</td>
<td>400</td>
<td>800</td>
<td>500</td>
<td>600</td>
</tr>
<tr>
<td>Marketing and Advertising</td>
<td>500</td>
<td>500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,000</td>
<td>500</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>[C] Total Operational Cash Outflows</strong></td>
<td>275,400</td>
<td>301,850</td>
<td>318,200</td>
<td>320,500</td>
<td>302,200</td>
<td>325,350</td>
</tr>
<tr>
<td><strong>[D] Net Cash From Operations</strong></td>
<td>-7,900</td>
<td>-2,250</td>
<td>2,800</td>
<td>11,200</td>
<td>8,100</td>
<td>22,400</td>
</tr>
<tr>
<td><strong>Financing and Equity Inflows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Draw on Line of Credit</td>
<td>15,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Loan Proceeds</td>
<td>0</td>
<td>0</td>
<td>250,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Owner Contributions</td>
<td>0</td>
<td>0</td>
<td>50,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>[E] Total Financing and Equity Inflows</strong></td>
<td>15,000</td>
<td>0</td>
<td>300,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Financing and Equity Outflows</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paydowns on Line of Credit</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>15,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loan Payments</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Equipment and Capital Purchases</td>
<td>0</td>
<td>0</td>
<td>300,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Distributions to Owners</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>[F] Total Financing and Equity Outflows</strong></td>
<td>1,500</td>
<td>1,500</td>
<td>301,500</td>
<td>16,500</td>
<td>1,500</td>
<td>26,500</td>
</tr>
<tr>
<td><strong>[G] Net Change in Cash</strong></td>
<td>5,600</td>
<td>-3,750</td>
<td>1,300</td>
<td>-5,300</td>
<td>6,600</td>
<td>-4,100</td>
</tr>
<tr>
<td><strong>[H] Ending Cash Balance</strong></td>
<td>$105,600</td>
<td>$101,850</td>
<td>$103,150</td>
<td>$97,850</td>
<td>$104,450</td>
<td>$100,350</td>
</tr>
</tbody>
</table>

You can find more strategic financial management insights at [cfoperspective.com](http://cfoperspective.com)

Want CFO-level cash flow management guidance and assistance? Check out [my coaching and consulting services](http://cfoperspective.com)

Clients receive a 12 month Excel Template customized to their business that automatically calculates totals.

Note: This is a guide only and should neither replace nor be taken or relied upon as financial or professional advice. Please seek professional advice before making any business decisions.

© 2019 CFO Perspective, LLC
Chapter 4: The Art of Managing Cash Flows

“If I had to run a company on three measures, those measures would be customer satisfaction, employee satisfaction, and cash flow.”

-Jack Welch

The art of managing cash flows is speeding up cash inflows and slowing down cash outflows. It’s almost always beneficial to do both to increase your cash balances. You can use that cash to pay down loans or invest the cash to earn profits (and even more cash...).

I worked for a large public accounting firm and was part of the audit team for a company that wasn’t the best at managing cash. The manager at our firm showed them how they could improve their cash position substantially by using some of the techniques I explain below. They could have been making hundreds of thousands of dollars more just by managing their cash better.

Ways to Speed Up Cash Inflows

Don’t Procrastinate: Ask for the Payment

The first tip in this section may seem the most obvious: ask for the money as soon as possible. Some owners are so busy working in the business that billing their customers slides to a lower priority.

The money due to you won’t arrive until you ask for it. You can bill before the time of service or at the time of service to accelerate cash inflows. If you bill after the service, make sure to do it as soon as possible. The longer you delay, the harder it is to collect payment.

Incentives for Quick Payment on Receivables

Sometimes your customers just need a little incentive to pay you more quickly. It’s very common for companies to state the following payment terms in their invoices:

- Due upon receipt – This communicates a sense of urgency which makes the customer more likely to pay your invoice immediately. Putting a due date in the future allows customers to delay until that date. They may have been completely fine to pay it immediately.

- Net 10 – If you consider “Due upon receipt” as too unreasonable, then pick a later due date. The number of days is totally up to you. The word “Net” followed by the number of days (10, 15, 30, etc.) communicates your expectation of when payment is due. Your customer shouldn’t be surprised when you call on payments that haven’t been received by then.
• 2% 10, Net 30 – This provides a discount to the customer for making a quick payment. In this example, the customer can reduce their payment to you by 2% for paying within 10 days. Otherwise, they should make their payment within 30 days. Is offering this discount worth the cost to you? You have to assess your borrowing costs and the lost opportunities due to tight cash flow.

• Past due charges – If there is no penalty for paying late, some customers are happy to hold on as long as they can to the interest-free loan you are giving them. State a late fee that will be assessed if payment isn’t received by the due date.

Deposits and Progress Payments
You can often request deposits or progress payments on large projects or custom orders. For example, you may request a 50% deposit at the time of a custom order. I worked for a company that produced concerts. The industry standard for major performers was a 50% deposit 30 days before the show and the rest paid the night of the show. Projects that take a long time are good choices for progress payments. Construction jobs are an example of large projects paid on a progress basis.

Contact Your Past Due Customers
Your customers will take paying you as seriously as you are about collecting payments. Allowing payments to trail well after the due date trains the customers that they can pay you late. Monitor your past due report at least weekly to identify customers that need a call or email to nudge them to make a payment.

A tip is to ask them to respond to you with a commitment of when they will make their payment. They may not be able to make it immediately, but they must state when they can make the payment. All future conversations are then just holding them to their word.

I’m not saying to be unprofessional or disrespectful. At a credit union I worked for, the collections department manager reported to me. He told me that he trained his staff to always treat the borrowers respectfully. His practical definition for this was that the borrower would have a civil conversation with the collector if they ever ran into each other at a supermarket.

You can be empathetic without being enabling. You can be direct without being disrespectful.

Consider a Collections Company
Collecting on payments scares some owners and frankly can suck the life out of you. A collections agency can do this for you but they will keep a percent of what they collect as a fee. The collections companies I’ve used in the past kept 30-40% of the payments. They will
charge a higher fee for older receivables and receivables that are harder to collect. You usually don’t turn your receivables over to a collections company until they hit a certain number of days past due (e.g. 90 days). Remember that they work for you and their collection methods will reflect on your business. Make sure you understand their collection methods and shop around for a company that matches how you want these customers to be treated.

Cash Management Services
Banks have ways to help you collect your money faster to automate cash flow management.

- Remote deposit capture – You can scan your deposits from your desk rather than having them sit until your next trip to the bank. When I was the CFO of a health clinic system, I would notice that our cash was sometimes low at payroll time. The clinics would have multiple day’s deposits of checks sitting in their desk drawers waiting for someone to take them to the bank. I would call to remind them to take the deposit to the bank because the funds to cover everyone’s paychecks were sitting in their desks.

- Lockbox – Having the bank make the deposit for you means the cash is credited to you even faster. Checks are mailed directly to a PO box where the bank picks them up and deposits them. They then send a file with the remittance info to you that can be posted to your accounting system.

- ACH, debit card, and credit card payments – Allowing customers to pay online or over the phone with an ACH payment, debit card, or credit card means not waiting for a check to arrive. An ACH (Automated Clearing House) payment is an electronic way to deduct funds directly from the customer’s checking account.

Factoring
Factoring may be a cash flow management option for you if you want fast cash from your receivables. Let’s say you have $100,000 in outstanding invoices. The factoring company pays you 70-95% of that immediately and collects on those accounts. They will send you any cash they receive on those invoices above the amount they already paid to you. That cash is subject to a factoring fee that they will deduct from the cash they give you.

Ways to Slow Down the Outflow of Cash
Maybe the quickest way to summarize this next section is to take everything I said in the above section on how to speed up your receivables and to do the opposite when paying your bills. Let’s dive into a few more details.
Pay Your Bills as Late as Possible
You can’t afford to take discounts when cash flow is a constraint. If your vendor’s invoice states “2% 10, Net 30” you’re going to schedule it for payment in 30 days. If you are currently flush with cash, take the discount.

Check the invoice or your contract with the vendor for when late payment fees start to be charged. Make the payment before the due date. Pay just before they assess a late fee. More sophisticated vendors may report your late payments to a business credit reporting bureau so you want to be very cautious about paying your bills on time.

One of the lessons I learned early in my career as an accountant is to not pay the late fee on an invoice. Some vendors will write this off if you make your payment. Others don’t and you’ll soon learn who will charge it to you and who won’t.

Leasing Instead of Buying
You can avoid the large amounts of cash needed for large purchases through leasing. You’ll want to work with your accountant or calculate for yourself whether leasing makes more sense than getting a bank loan.

Negotiate a Payment Plan
If it looks like you won’t be able to make your full payment before the due date, you can call the vendor to work out a payment plan. The worst thing you can do when you aren’t following payment terms is to not communicate. Being honest with your vendors allows both of you to work together towards the best solution for everyone. Not communicating greatly increases the odds that your vendor will see no choice but to take strong collections actions.

Make Hard Decisions
I was the Board Chair of a regional nonprofit company that has a source of funding that was suddenly cut back. We had to lay off a third of that program’s staff. It’s not an easy decision to reduce compensation or lay people off but sometimes tough times call for tough decisions. There are a couple of ways to reduce the need to cut fixed expenses during hard times:

- Build a company with scalable cash flows: A company than can survive anything is a company that can scale down its cash outflows down when cash inflows drop. They usually do this by maximizing variable expenses rather than being locked into fixed expenses. Variable expenses rise and fall with sales or production volumes.

- Keep overhead low and efficiency high, even during the good times: During good times it’s easy to focus on growth and become lax on keeping expenses low. Those
expenses slowly create cash leaks in the company that then must be fixed when cash is tight. They are always detracting from your profits so continuously challenge them.

These cash flow techniques may still not be enough to fill the cash flow gaps in your projection. In the next chapter, you’ll learn sources of cash that may fill those gaps.
Chapter 5: Sources of Funds

“It’s easy to get a loan unless you need it.”

-Norman Ralph Augustine

It’s said that “it takes money to make money.” This seems to ring true when a large investment is often made before revenues and cash inflows come from that investment. Examples of these investments are:

- Equipment
- Inventory
- Buildings
- Software

There are three major types of sources of funds:

Asset Sales
You can receive cash in exchange for selling things your business owns. The use of factoring that was mentioned earlier in the guide could be thought of as an asset sale. The sales of any investments, land, buildings, or equipment can bring you cash. Selling excess or obsolete inventory at low prices is another way to generate cash.

Loans
Loans to the company can come from banks, family, friends, or your own pocket. Loans are an agreement that requires payment back of the amount of the loan (called the “principal” of the loan) and interest. You may need to pledge collateral (for example, the value of your equipment or real estate) to the lender to reduce the risk to the lender. If you are unable to pay the loan, they will take possession of that collateral and sell it as payment on the loan. Small business owners often must provide a personal guarantee for a bank loan to their business. If your business cannot pay off the loan, the bank can ask for payment out of your personal finances.

Equity Ownership
Equity is the value of the company. Owners of the company have rights to a share of that equity. For example, if you owned 10% of a company that was sold to another company then you would be paid 10% of the value of your company. One of the ways to gain equity rights is by providing cash to the company to receive a share of the equity. That’s where the terms “shareholders” and “shares of stock” comes from.

Loans and equity provide a large sum of immediate cash but they often create a need to pay cash in the future. Lenders will want loan payments. Owners may want dividends, which are payments of some of the equity of the company. Periodic loan payments are usually required and you can be put in bankruptcy if you don’t pay them. Dividends are not required and so you don’t have to pay them if you are short on cash.
Most of my career has been as the CFO or some other senior leadership position of banks or credit unions. I’ve included some banking insider insights for you in the sections below. Now let’s dive into some more details about loans and equity ownership.

**Business Operating Lines of Credit**
Lines of credit are a standard liquidity option for financing short term operational needs. These are usually granted for a one-year term. During that year you can draw on the line and pay down the line. These draws and payments are usually done as a transfer between your loan and a checking account. You make these transfers online.

You make monthly interest payments based on the amount you had drawn on the line over the previous month. You may pay a fee based on the total amount you are able to borrow (i.e. the “commitment amount” of the loan).

A key thing to remember is that you need to “rest” the line occasionally. Resting the line means paying it down to zero. How often you are required to do this and how long it must stay at zero before you start drawing on it again differs with each lender.

The concept behind the line is that you need financing for short periods when cash is tight. You then have other times of the year when you don’t need to borrow because you have enough cash. Operating lines are designed for occasional or seasonal cash needs, not a source of long-term funding.

Lines with amounts borrowed at all times are called “evergreen lines” and are not looked upon favorably by banks or banking regulators. Never resting the line may indicate you have cash flow issues. This presents a credit risk to the bank, who may limit your line or force principal and interest payments.

Do not become overly reliant on your line of credit if your financial situation is deteriorating. Banks usually have the right to “call the loan” which means the loan can be canceled at any time and the loan is due immediately. As the saying goes, “A banker will lend you an umbrella when the sun is shining but asks for it back the minute it begins to rain.”

A source of funding that’s similar to a bank line of credit is trade financing from your major vendors. They allow you to buy inventory on credit. This allows you to pay them once you have received payment from your customers.

**Term Financing**
Term financing refers to loans that are made for a specific number of years (the “term” of the loan). They are usually paid down with principal and interest payments over the term of the loan. You could finance the purchase of equipment or real estate this way so you don’t have to draw down your cash reserves. You may also be able to refinance real estate you own at a lower rate. Another option is to a second loan to real estate in which you have large equity to get more cash for operations.
Banks will often allow you to borrow up to around 75% of a building’s value. Your cash flow from all sources divided by the loan payment should be 1.25 or higher. This means you have a little bit of a cash cushion when your cash flow projection doesn’t go according to plan.

**Personal savings**

In this option, you are putting your assets in the company and there is no promise you’ll get that investment back. This may be one of your best options early in the company’s life. You will need to decide if you are making a capital contribution (equity infusion) to the company or just making a loan. Make sure to have clear documentation of the terms of the loan for tax purposes.

**Personal Lines of Credit (Home Equity Lines of Credit, Unsecured Lines, and Credit Cards)**

This may be the only bank loan option for new businesses. You may have a home equity line of credit, an unsecured personal line of credit, or it may just be credit cards. Be careful with these because you have now put your personal assets at risk by drawing on personal lines to fund the company.

I cringe even mentioning credit cards but I’ve been a banker for much of my life so I know how important credit cards are to many small businesses. There have been many small businesses that were first financed with the personal credit cards of the owner.

Using cards, especially multiple cards, can seriously hurt your credit score and the interest rates can be very high. Proceed with great caution if you are considering credit cards.

**Friends and Family**

When all else fails, you may ask your friends and family for loans. This may be your only choice when banks and other lenders just can’t take the risk of a loan to your business.

When I was in college, my dad was starting his business. I had some funds saved for college and he had a short-term need for cash so I loaned my cash to him and he quickly paid it back with interest. He continued to build a very successful business and made loans to other people.

Getting funds from friends and family can get very messy. It may be tempting to do something informally. That lack of clarity can come back to bite you. It’s worth writing out the terms of the agreement.

The first decision is to clarify whether this is a loan or an ownership investment in the company. If it’s a loan, you only owe them interest. If it’s an ownership investment, you just gave them rights to the future income of the company. It may be clear to you that you only intended to make a loan but they may claim you offered them ownership. Make things clear with an agreement.
The loan agreement also clearly states the consequences if you can’t pay on time. It’s much easier to work this out now rather than when cash gets tight. Your friend or family lender may become scared if you’re struggling to make payments. They may require much bigger penalties than you ever imagined or demand immediate full repayment. Set the terms of the agreement while everyone has a level head.

The biggest concern with friends and family is to think through the impact on the relationship. Consider these questions:

- If you had cash struggles, would this damage the relationship?
- Is the loan worth jeopardizing the relationship?
- Would receiving this loan create the expectation that you are obligated to do something similar for the other person for the sake of the relationship? You may end up owing much more than the just money you borrowed.

**Equity Ownership**

Selling equity ownership means giving up part of the company for cash. You’re may also be giving up some control of the company. It’s a big decision that takes lots of analysis. Equity could be sold to:

- Current owners
- Certain individuals in a private stock placement
- Angel investors or venture capitalists

Some of these new owners bring not only cash but also valuable management advice or technical knowledge.

You may be able to issue different types of equity that have different rights. For example, some equity may not have voting rights or it may have a higher priority to receive company assets in a liquidation of the company. Investors may also demand first rights to any cash if the company were to sell.

**Crowdfunding**

Larger companies can do an initial public offering (IPO) to sell large amounts of stock to the broad public. Smaller companies can now do something similar via crowdfunding. Companies can post for equity or loans on crowdfunding websites. Crowdfunding is based on lots of people investing small amounts in each company. There are rules that limit who can invest in crowdfunding sites and how much they can invest. You can also ask for donations in exchange for rewards like free products from your company. One caution is that some sites don’t transfer money until a goal amount has been met.
Chapter 6: Surviving a Cash Crunch

“There is really only one way to address cash flow crunches, and it’s planning so you can prevent them in advance.”

- Elaine Pofeldt

Even if you use every tip in this book you may still face a cash crunch where you don’t have enough cash to run your business in a normal way. This is a time for emergency cash management. If your business model has a fatal flaw, no amount of cash management techniques can save you. However, if this is just a short-term problem, the tips below can help you survive the crisis.

Buy All the Time You Can

Time is precious when cash is low. You want to foresee the cash crunch as soon as possible then use the tips in this guide to stretch out the time you need to use cash for as long as you can. It may mean incurring penalties or late fees on some payments to make other critical payments. Challenge every cash outflow to see if there is any way to delay payment.

Closely Monitor Your Cash

Your low cash balances are a major source of stress and you may be tempted to ignore watching your cash to reduce this pain. That’s a major mistake that only makes the problem worse. During normal times you can run cash flow projections as infrequently as once a quarter. If you are tight on cash, you may need to update your projection every week and calculate your cash flows for each week for the next month or three months.

Renegotiate Payment Terms

You won’t be negotiating from a position of strength, but you may be able to negotiate for payments to be smaller or later. Be completely honest and show how reducing payments now may allow you to survive a short-term cash flow problem and increase the chances for full payment in the future.

Keep Communicating with Your Lenders

When I worked at banks, one of the biggest mistakes made by borrowers who missed payments was not communicating. If you’ve missed payments, it’s clear to you and the lender that there is a problem. The lender wants to work with you to find a solution to get paid and that’s usually by working with you rather than working against you. Stopping communication leaves them no option but to assume the worst and begin legal collection and foreclosure procedures.

You still have rights and deserve respect during the collection process. Harassing calls are unacceptable and illegal.
When All Else Fails (A Little Bit About Bankruptcy)

Contemplating bankruptcy is a serious step that you should not do without first consulting a bankruptcy attorney. The legal structure of your company has a major impact on what assets are subject to creditors (people that you owe money) in bankruptcy. For example, the personal assets of sole proprietors and partners can be tapped to satisfy bankruptcy claims. Other structures, like corporations and limited liability companies (LLCs), can limit claims to only the assets of the company. This helps protect the personal assets of the owners.

If you are declaring personal bankruptcy there are two main options:

- Chapter 7: Discharge of your debts
- Chapter 13: Restructuring or partial payment of debts

Businesses also have two main options:

- Chapter 7: Liquidation of the business
- Chapter 11: Reorganization of the business. Creditors vote on the plan.

I’m just listing a few key points about this. There are many details for which you need to consult an attorney. The main thing I want you to take away from this is that bankruptcy does not always mean the liquidation and end of your business. If you have a plan to reorganize your debts to the satisfaction of creditors then the company may survive. Some owners wait until their company has dug a hole so deep that a Chapter 7 liquidation is the only option. Sometimes it’s worth talking to a bankruptcy attorney earlier in your cash crisis to see if Chapter 11 is a possibility.
Chapter 7: A Final Word on Cash Flow

“One of the earliest lessons I learned in business was that balance sheets and income statements are fiction. Cash flow is reality.”

-Chris Chocola

This guide has shown you how to better manage your cash to increase your cash flow, increase your profits, and reduce your stress. You know your options and can face your finances with confidence. You have the tools to conquer cash flow.

When you are flush with cash, it’s easy to become lax or quit doing some of these good cash flow management practices. Keeping them in place will make sure you don’t lose any opportunities. It also may keep improving your cash flow to a point that you have new opportunities.

If you want more personal guidance than I can provide in this guide, I would love to work with you as part of my coaching program. Coaching gives you CFO-level financial strategy insights at a fraction of the cost of a part-time or full-time CFO. Working with a CFO may give you the strategies and cash to grow your company.

God bless and I wish you and your company well.

Rob Stephens
About Rob Stephens and CFO Perspective

Rob Stephens is the Founder of CFO Perspective. CFO Perspective provides financial consulting and education to small business owners so they can achieve their goals. Rob has a 20-year career that includes serving as CFO for two banks and a health clinic system. He was also Director of Operations at a $4 Billion bank and SVP of Finance of a $2 Billion credit union, where he was also Program Manager of an investment advisory group with $170 Million in assets under management. He has a demonstrated record of developing and implementing solutions to complex strategic and operational issues.

Rob holds a Masters of Science in Personal Financial Planning and a Graduate Certificate in Financial Therapy from Kansas State University. He received a B.A. in Business Administration from the University of Washington and is a CPA.

For more information and free resources:

cfoperspective.com
509.202.4652