



# Cash Forecast: The Ultimate Management Report

(For Highly and Not-so Profitable Companies)

By: Steve Hancox, Spring 2013

While we would never recommend having just one management report, there is one that should be in every company's use (but seldom is). A comprehensive, Cash Forecast is a critical management tool. This tool combines the company's Sales Forecast, its Profit Forecast, and the Capital Forecast. In addition, it requires a clear understanding of how the various disciplines, processes, and forecasts interrelate.

Financial Resource Associates initially developed this tool for its turnaround clients and expanded the discipline it provides to healthy, profitable companies. Once introduced to this report, CEO's find it indispensable; as it presents a consolidated snapshot of every significant source and use of funds while providing key early indicators of the strategic alignment of all expenditures.

We all know that one truly only manages that which they measure. These measurements collectively become a manager's management reports. How well they capture the essence of each manager's area of responsibility will greatly influence the effectiveness of that manager. A company's management reports are beyond the scope of its accounting firm's year-end work; which means they may never be reviewed. That is unfortunate. The only way to guarantee that everyone is pulling in the same direction is by ensuring that the team is measuring and rewarding all of the right activities. This is how companies greatly improve the outcome.

Unlike any other report, even equal to an Income Statement, the Cash Forecast encompasses every important aspect of the business. Profit is a great tool – but you can't spend it nor put it on a deposit slip. Cash is king. Every CEO and CFO needs to be on top of it.

For more information, contact Financial Resource Associates (FRA) today.

4755 Lake Forest Drive, Suite 100  
Cincinnati, OH 45242-3836  
Office: 513/793-8004  
Steve Hancox Cell: 513/646-3437  
[www.finresource.com](http://www.finresource.com)

## About Financial Resource Associates

Founded by Leonard Eppel in 1986, Financial Resource Associates (FRA) is a highly respected profit improvement consultancy based in Cincinnati, Ohio, serving the Midwest. Best known for its successful turnaround work, FRA's professionals have also been quietly helping healthy companies solve longstanding problems.

FRA provides a broad array of services within the context of Leadership and Management – Assessment & Remediation. In addition to crisis management, key services include interim executive placements, strategic audits, family business succession planning, strategic planning, and cash forecasting.