

Is Your Cash Flow Ready For Spring?

5 Reasons Why Managing A Solid Cash Flow Is Just Good Business Sense



Dave Cain, CPA

Principal

Dublin office

614.923.6548

dave.cain@reacpa.com

For more advice
& information for
business owners, visit
www.reacpa.com or www.deardrebit.com.

Spring is the season of renewal. It's the time of the year when we emerge from our dens to enjoy warmer weather, the melting of snow and an abundance of greenery as nature appears to come alive. Spring is also an opportune time in the business world.

Before we lose ourselves in the hustle and bustle of increased production and revamped initiatives, take this time to review and solidify your company's cash flow projection.

Managing your cash flow now will help minimize mistakes later – when business and economic trends become more favorable. Still not convinced? Here are five other reasons to manage your company's cash flow.

1. A cash flow projection will provide you with the information you need to make better, more lucrative decisions. For example, if you had insight into which of your company's non-core assets are viable, would you make changes to support future growth or would you simply maintain the status quo? With a well-maintained cash flow projection at your fingertips, you can make decisions that will help secure a more lucrative future for your company.
2. If you're looking for a way to hold you and your team accountable for the company's success and failures, look no further than your cash flow model. This tool can help you fine-tune your management strategy, which can help you and your team achieve better quality standards, increased production, enhanced efficiency and an improved reaction time.
3. Your cash flow strategies can empower your team to take further ownership of their work and pride in the company. When they have a chance to see that their actions
4. When you have a better idea of how much money is going out and coming in (and why), you and your management team can put plans in place to better manage the company's cash flow in a more favorable way.
5. Are you managing cash that you acquired from an external source? Will you manage acquired cash in the future? Stakeholders love cash flow projections because they provide them with the information they need to monitor their investment. Oftentimes banks require you to provide quarterly financial information to prove that you're complying with the terms of the loan package.

influence how well the business does as a whole, they will be more likely to seek out opportunities for improvement. When you have a cash flow projection, then you have the tool needed to develop timely and attainable goals.



Your cash flow can be used to improve many areas of your business. For example, it can become an empowerment tool.

When your team can see how their actions influences the business's bottom line, they are more likely to seek out opportunities to facilitate continued growth.

- Cash flow is arguably more important to your company's success than your bottom line because it takes your past, present and future projections into consideration to arrive at a compressive analysis of your financial wellness.
- Give me a call to learn how you can use your cash flow projection as a valuable management tool.