

# TURNAROUND SHORT TERM CASH GENERATION ACTIONS

Company:	Date:
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Actions Common To All	<ol style="list-style-type: none"> <li>1. Make individuals responsible for working on the actions and make them accountable for their performance.</li> <li>2. Decide what can be done to generate cash and define specific tasks.</li> <li>3. Assign someone to monitor 1 and 2 and report the results to USAID BC.</li> </ol>
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## BALANCE SHEET

### 1 Assets

#### 1.1 Accounts Receivable

Overall Strategy 1.1	Investigate any method that would assist in collecting receivables, preferably creating cash, not barter or trade inventory. Start actions with receivables data collection sheet, Attachment "C."
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<input type="checkbox"/>	Problem 1.1.1	Selling to customers who can't pay - weak or nonexistent credit policy ( <i>pre-sale</i> ).
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Strategy 1.1.1	<p>Stop weak credit policy. Evaluate every sale from this day forward with regard to credit policy.</p> <p>Put a short term on credit; do not allow over 30 days credit, for example.</p> <p>Investigate the possibility of COD (cash on delivery) terms, even if only for some customers.</p>
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☒		Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.1.1.1	Establish a formal credit policy requiring completion of a credit application, to include: bank name and telephone for a reference; name and telephone for three current suppliers for a reference; copy of latest financial statements, if available.				
<input type="checkbox"/>	1.1.1.2	Offer cash discount up to 5% for immediate cash payment.				
<input type="checkbox"/>	1.1.1.3	Stop deliveries to poor credit risk customers, unless some payment of back debt is made.				

<input type="checkbox"/>	1.1.1.4					
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<input type="checkbox"/>	Problem 1.1.2	Overall Accounts Receivable process is poorly defined; weak or nonexistent collections policy and actions ( <i>post-sale</i> ).
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Strategy 1.1.2	Correct collections policy problem ASAP. First, act on collecting cash from particular customers who are longest outstanding, usually those over 90 days past due.  Set specific objectives for the week (month) to collect cash. List accounts to write, call, visit, change policy, etc.
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<input checked="" type="checkbox"/>		Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.1.2.1	Change the policy immediately with poor paying customers.				
<input type="checkbox"/>	1.1.2.2	Using the accounts receivable listing (attachment C), identify the oldest outstanding amounts, by account.				
<input type="checkbox"/>	1.1.2.3	Assign every account over 90 days past due to a specific person to call the account and find out why payment was not made and when it will be sent. Large amounts are assigned to management, especially someone who may be familiar with the company.				
<input type="checkbox"/>	1.1.2.4	Do not ship any products to accounts past due for 90 days or more.				
<input type="checkbox"/>	1.1.2.5	Tell these accounts that you will take them to court in order to obtain your money.				
<input type="checkbox"/>	1.1.2.6	Keep track of the accounts assigned and establish a method for each person to report.				
<input type="checkbox"/>	1.1.2.7	Meet weekly with all those assigned past due accounts to discuss their findings. Consider special rewards to those who do the best job of collecting.				
<input type="checkbox"/>	1.1.2.8	Send a form letter to all accounts between 60 and 90 days past due, signed by the Financial Director. Ask why payment was not received and when to expect it.				

<input type="checkbox"/>	1.1.2.9	Send a second, more strongly worded letter, to these accounts if there is no response in 15 days.				
<input type="checkbox"/>	1.1.2.10	After another 30 days, call all those accounts that have not responded.				
<input type="checkbox"/>	1.1.2.11	Be willing to setup a long-term payment plan from these accounts (some payment is better than nothing).				
<input type="checkbox"/>	1.1.2.12	Prepare a form letter to all accounts that reach 35 days past due.				
<input type="checkbox"/>	1.1.2.13	Mail these letters at least once a month, preferably each week.				
<input type="checkbox"/>	1.1.2.14	Investigate invoicing procedures to make sure they are sent to customers on the day of shipment.				
<input type="checkbox"/>	1.1.2.15					

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<input type="checkbox"/>	Problem 1.1.3	Days Sales Outstanding (DSO) much longer than normal credit terms. <b>(KMR)</b>
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Strategy 1.1.3	Define the source of this problem, which could be any of the foregoing issues or merely resulting from a very rapid decline in the sales curve, which might be found in a seasonal business.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.1.3.1	Review findings from previous sections and determine their affect on DSO.				
<input type="checkbox"/>	1.1.3.2	Review sales procedures to make sure company policy on payment terms is always followed.				
<input type="checkbox"/>	1.1.3.3	Review recent sales history to make sure the calculated DSO is indicating a collection problem and not the result of recent lower than normal sales.				
<input type="checkbox"/>	1.1.3.4					

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<input type="checkbox"/>	Problem 1.1.4	Large amount of barter that cannot be converted to cash.
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Strategy 1.1.4	<p>Define the source of the problem and investigate if there is any way that cash can be generated. The situation could be: 1) Customers do not have cash; 2) The customer produces something that the client company uses or sells; or 3) Client company is taking barter that is of little or no use to them.</p> <p>Discover if and how cash is eventually created with the barter.</p> <p>Discover the timing of the barter transaction.</p> <p>Review all procedures and policies relative to barter, especially the valuation process.</p> <p>With this information do a root cause identification and elimination; write action, preferably to generate more cash sooner.</p>
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.1.4.1	First, list items that have been accepted in barter exchange.			
<input type="checkbox"/>	1.1.4.2	Review this list with all managers and anyone who might be able to value these items and list their market value.			
<input type="checkbox"/>	1.1.4.3	Assign items to sales people, offering incentives for selling these goods.			
<input type="checkbox"/>	1.1.4.4	Include others in the sales effort if they might have knowledge of the market.			
<input type="checkbox"/>	1.1.4.5	Set a policy for the future where barter should be avoided. Where it is necessary, a process must be established requiring top management approval for barter transactions.			
<input type="checkbox"/>	1.1.4.6	Only items that can be used in production in the next 30 to 60 days or can be immediately converted to cash should be accepted in any future barter transactions.			
<input type="checkbox"/>	1.1.4.7				

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<input type="checkbox"/>	Problem 1.1.5	Accounts Payable and Accounts Receivable are not being offset.
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Strategy 1.1.5	Reduce cash needs by offsetting payables to and receivables from the same company.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
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<input type="checkbox"/>	1.1.5.1	Identify companies where you buy from and sell to by comparing accounts payable and accounts receivable lists.				
<input type="checkbox"/>	1.1.5.2	Determine net accounts payable or accounts receivable with these companies. (Subtract accounts payable from accounts receivable.)				
<input type="checkbox"/>	1.1.5.3	If net position is accounts receivable, follow collection policy to recover the net amount and reduce the payment to zero.				
<input type="checkbox"/>	1.1.5.4	If the net position is accounts payable, reduce receivable to zero and consider when to pay the net amount.				
<input type="checkbox"/>	1.1.5.5					

<input type="checkbox"/>	Problem 1.1.6	Excess number of returns, credit requests, and disputed invoices.
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Strategy 1.1.6	Define the root cause of the problem. Several possibilities are: substandard product quality, misrepresentation of the product, value of the product less than the sales price, bad count, packing, invoicing procedures.  Decide what can be done, if anything, to immediately stop credits and returns.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.1.6.1 Investigate the procedure for documenting returns. If none exists, prepare one. These procedures must include: a method for sales people to authorize all returns; approvals for high amounts; and descriptions of reason for the return.				
<input type="checkbox"/>	1.1.6.2 Analyze these results for root cause analysis/elimination				
<input type="checkbox"/>	1.1.6.3 Replace the defective product instead of issuing a refund or credit.				
<input type="checkbox"/>	1.1.6.4 Establish a price list for all products and a policy for approving any deviations.				

<input type="checkbox"/>	1.1.6.5	Review the sales order and billing system and correct obvious problems.				
<input type="checkbox"/>	1.1.6.6	Make a list of specific reasons for disputes and correct them, concentrating on the ones that are of highest value.				
<input type="checkbox"/>	1.1.6.7	Look for accounts that have repeated invoice disputes to make sure they are not the cause of the problem.				
<input type="checkbox"/>	1.1.6.8					

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## .2 Inventory

Overall Strategy 1.2	<p>1) Company should have a minimum amount of inventory so that it can still operate profitably and at an acceptable level of customer service.</p> <p>2) Areas to investigate include; raw material, work in process, finished goods, consignment, barter.</p> <p>3) There may be reason to investigate any of the following relative to all areas of inventory: minimum inventory, obsolete inventory, liquidity, and value for all areas.</p> <p>4) Define and investigate area of Raw Material purchasing (also see operating expenses)</p> <p>Collect information needed from the Data Collection forms. Investigate any method that would help turn inventory into cash. Define any problems that exist concerning the inventory, keeping in mind we are trying to generate short-term cash. Define in a short period of time the amount of inventory that is needed for efficient operations and sales.</p> <p>Consider using MPI Practice assistance to define excess inventory, in particular, excessive work in process that could be eliminated by manufacturing process changes.</p>
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<input type="checkbox"/>	Problem 1.2.1	Inventory very large relative to sales rate (Inventory Turns low). <b>(KMR)</b>
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Strategy 1.2.1	<p>It may take some analysis to discover which inventory is excessive. Investigate any method that would help turn inventory into cash, keeping in mind the actions needed to focus on short-term solutions.</p> <p>Ask for more details on the inventory if necessary.</p> <p>Interview the top management and staff, in particular, any one dealing with inventory decisions. Obtain everyone's opinion as to what defines minimum inventory.</p> <p>List the obstacles to reducing inventory. These obstacles were probably mentioned in the above interview.</p> <p>Review all policies and procedures relative to the management of the inventory.</p> <p>Analyze all the above information for root cause identification and elimination.</p> <p>Decide what inventory can be disposed of; write actions relative to the problem and relative to short term cash generation.</p>
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.2.1.1	Review Data Collection form and assure its accuracy.			
<input type="checkbox"/>	1.2.1.2	Ascertain that all of management agrees on the definitions of "obsolete" and "minimum inventories".			
<input type="checkbox"/>	1.2.1.3	Categorize inventory as fast, moderate, slow moving or obsolete.			
<input type="checkbox"/>	1.2.1.4	Calculate the monthly costs (include capital costs and other carrying costs) of holding excess raw material inventory, identified in step 1.2.1.3, and use this to establish a price to sell excess inventory.			
<input type="checkbox"/>	1.2.1.5	Calculate the monthly costs (include capital costs and other carrying costs) of holding excess finished goods inventory, identified in step 1.2.1.3, and use this to establish a price to sell excess inventory.			
<input type="checkbox"/>	1.2.1.6	Sell excess raw material inventory at agreed prices.			
<input type="checkbox"/>	1.2.1.7	Sell excess finished goods inventory at agreed prices.			
<input type="checkbox"/>	1.2.1.8	Change production methods to reduce work in progress inventory to minimum levels.			

<input type="checkbox"/>	1.2.1.9	Establish procedures to communicate realistic sales information to production in order to prepare schedules of raw materials purchases and finished goods production.				
<input type="checkbox"/>	1.2.1.10					

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<input type="checkbox"/>	Problem 1.2.2	Too many different products or product lines in inventory.
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Strategy 1.2.2	<p>Discover if there are too many different kinds of products. Too many products dilute the resources of the company. Look at the sales per product line if that information is available. There may be opportunities to quickly stop production on products and reduce costs; there may be opportunities to reduce some inventories via reduced price sales.</p> <p>Interview top management and review the company's vision, business plan, and strategies relative to product lines.</p> <p>Conduct a root cause analysis to discover if there are opportunities to reduce the number of products (Pareto analysis). Write actions relative to reducing the number of products and associated costs, such as labor costs, raw material inventory, sales expense, and utilities.</p>
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.2.2.1	Establish a minimum monthly sales quantity for products and eliminate products that do not meet that minimum.				
<input type="checkbox"/>	1.2.2.2	Communicate to customers about product elimination and recommend alternative products that you make.				
<input type="checkbox"/>	1.2.2.3	Sell inventories of eliminated products (at reduced prices, if necessary).				
<input type="checkbox"/>	1.2.2.4	Eliminate all costs associated with product elimination.				
<input type="checkbox"/>	1.2.2.5	Consider BC's Marketing Practice Team assistance.				
<input type="checkbox"/>	1.2.2.6					

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<input type="checkbox"/>	Problem 1.2.3	Significant quantities of obsolete or damaged inventory.
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Strategy 1.2.3	Discover ways to reduce obsolete inventory by converting it to cash. Discover the source of damaged products. See if there is a quick solution to the root cause of the problem of damaged inventory. Discover ways to convert the damaged inventory to cash.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.2.3.1    Establish how long inventory can be held in stock before becoming obsolete.				
<input type="checkbox"/>	1.2.3.2    Calculate the capital costs (interest) and other carrying costs of inventory and determine reduced selling price for obsolete inventory.				
<input type="checkbox"/>	1.2.3.3    Reduce obsolescence by establishing procedures to communicate realistic sales information to production in order to prepare schedules of raw materials purchases and finished goods production.				
<input type="checkbox"/>	1.2.3.4    Estimate the market value of damaged goods without correcting them; compare this with extra costs to repair and either sell or repair.				
<input type="checkbox"/>	1.2.3.5    Determine reasons for damaged goods and revise production and handling procedures, accordingly.				
<input type="checkbox"/>	1.2.3.6				

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<input type="checkbox"/>	Problem 1.2.4	Inventory growing more rapidly than sales (buying or producing to stock).
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Strategy 1.2.4	<p>Discover if this is a problem by looking at the past four to six months. (possibly longer if this is a highly seasonal business) Chart to see if these few months can indicate that the problem exists. The root problem might be that the factory produces to plan without reference to actual sales. Discover the options to stopping this trend.</p> <p>This is a relative easy problem to solve, if production can be slowed or stopped. Write actions relative to stopping or slowing production.</p> <p>Write actions relative to reducing costs including labor and utilities.</p>
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
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<input type="checkbox"/>	1.2.4.1	Establish procedures to communicate realistic sales information to production in order to prepare schedules of raw materials purchases and finished goods production. Eliminate make to stock for items not currently selling.				
<input type="checkbox"/>	1.2.4.2	Reduce labor and other direct and indirect costs in line with the reduced production schedule.				
<input type="checkbox"/>	1.2.4.3	If reduced production results in equipment that is no longer needed, sell it or rent it.				
<input type="checkbox"/>	1.2.4.4					

<input type="checkbox"/>	Problem 1.2.5	Insufficient inventory of needed raw materials.
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Strategy 1.2.5	Stop cash outflow for purposes other than obtaining raw materials and investigate all methods for obtaining cash to purchase raw materials or to barter for these materials, e.g. a finished goods inventory fire sale.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.2.5.1	Stop incurring fixed production costs until materials are obtained, i.e. furlough or reassign idle workers.				
<input type="checkbox"/>	1.2.5.2	Stop investments and other cash outflows until material is obtained.				
<input type="checkbox"/>	1.2.5.3	Pursue quick cash generation through inventory sales and other methods discussed elsewhere.				
<input type="checkbox"/>	1.2.5.4	Pursue barter of obsolete raw materials for usable raw materials.				
<input type="checkbox"/>	1.2.5.5	Pursue barter of finished goods for needed raw materials.				
<input type="checkbox"/>	1.2.5.6					

### 1.3 Fixed Assets

Overall Strategy 1.3	<p>The strategy under the general heading of assets will be to assess all of the assets for potential cash generation. Analyze the value, utilization, and liquidity of all the assets and decide if there are any that can be disposed of for cash. Consideration has to be given to buildings and equipment not being used. Many times there are excess vehicles. Property need not be sold to produce cash; if space is desirable it may be leased or rented. Many companies had diversified at some point in the past and are no longer in that business, so no longer need those particular assets. Consider disposal of the assets of non-operating businesses.</p> <p>Situation: Possibly, empty production facilities or buildings on the property, trucks not being used (consider outsourcing trucking services), equipment not being used, land not being used. Assistance in evaluation may be available from BF loan documents or bank appraisals.</p> <p>Refer to Data Collection form.</p>
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<input type="checkbox"/>	Problem 1.3.1	Fixed Asset utilization very low ( <i>pre-loan assets</i> ).
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Strategy 1.3.1	<p>Decide if there are underutilized production and other assets that can be sold for cash, including vehicles, equipment and excess furniture.</p> <p>Decide if there is excess office, warehouse, production or other space that can be sold or rented.</p>
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.3.1.1	Identify all excess vehicles, equipment, furniture and other assets.			
<input type="checkbox"/>	1.3.1.2	Evaluate the liquidity and estimate the cash market value of these assets			
<input type="checkbox"/>	1.3.1.3	Sell or rent excess equipment.			
<input type="checkbox"/>	1.3.1.4				

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<input type="checkbox"/>	Problem 1.3.2	Over-investment in fixed assets ( <i>assets purchased with BDP loan proceeds</i> ).
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Strategy 1.3.2	<p>Decide if there are underutilized production assets that can be sold for cash, including vehicles, equipment and excess furniture.</p> <p>Decide if there is excess office, warehouse, production or other space that can be sold or rented.</p>
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.3.2.1	Identify all excess vehicles, equipment, furniture and other assets.				
<input type="checkbox"/>	1.3.2.2	Evaluate the liquidity and estimate the cash market value of these assets				
<input type="checkbox"/>	1.3.2.3	Sell or rent excess equipment.				
<input type="checkbox"/>	1.3.2.4					

<input type="checkbox"/>	Problem 1.3.3	Some facilities are idle.
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Strategy 1.3.3	Decide if some underutilized facilities can be consolidated and excess facilities can be sold or rented without interrupting current business operations.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.3.3.1	Identify how all facilities can be rearranged in order to use less space; thereby, making space available for sale or rent.				
<input type="checkbox"/>	1.3.3.2	Sell or rent excess facilities.				
<input type="checkbox"/>	1.3.3.3	Eliminate costs associated with consolidated facilities.				
<input type="checkbox"/>	1.3.3.4					

<input type="checkbox"/>	Problem 1.3.4	Some facilities are in poor condition, causing production and quality problems.
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Strategy 1.3.4	Decide if there would be short-term benefits in repairing facilities. The justification would have to include the costs of repair.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.3.4.1	Determine the costs of repairing equipment and the length of time to complete the project.				

<input type="checkbox"/>	1.3.4.2	Compare the repair costs with the benefits of improved production quality.				
<input type="checkbox"/>	1.3.4.3	If justified in the short-term, repair equipment.				
<input type="checkbox"/>	1.3.4.4	Consider the assistance of BC's MPI practice Team.				
<input type="checkbox"/>	1.3.4.5					

<input type="checkbox"/>	Problem 1.3.5	Investment not complete.
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Strategy 1.3.5	In some cases, the loan amount will not have been spent in its entirety. Identify amounts remaining and determine the planned future use of funds through discussion with management. Evaluate this plan compared with activities to-date in order to assess the need for and business value of completing the investment.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.3.5.1 Calculate the amount of investment remaining.				
<input type="checkbox"/>	1.3.5.2 Identify the planned use of the remaining investment funds.				
<input type="checkbox"/>	1.3.5.3 Evaluate the plan in the light of recent business results.				
<input type="checkbox"/>	1.3.5.4 Proceed to spending the remaining investment because it will not detract from your ability to pay past due BF obligations.				
<input type="checkbox"/>	1.3.5.5 Stop all further investment spending.				
<input type="checkbox"/>	1.3.5.6				

<input type="checkbox"/>	Problem 1.3.6	Some assets have no direct relationship to the business being conducted (investment in unrelated activities).
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Strategy 1.3.6	Consider selling these assets and, possibly, the complete business.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.3.6.1 Determine the actual value of these assets and sell them.				

<input type="checkbox"/>	1.3.6.2	Sell the entire business if the value is greater than projected future cash flows.				
<input type="checkbox"/>	1.3.6.3					

<input type="checkbox"/>	Problem 1.3.7	Some facilities are not most appropriate for the job being done (there is better equipment available to do the job).
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Strategy 1.3.7	Consider moving operations to other locations but only if costs are justified in the short term. Consider selling present equipment and purchasing equipment that is more suitable to the job.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	1.3.7.1 Determine the costs and timing of moving to other locations.				
<input type="checkbox"/>	1.3.7.2 Compare these costs with the financial benefits of the new location.				
<input type="checkbox"/>	1.3.7.3 If justified in the short-term, move to the new locations.				
<input type="checkbox"/>	1.3.7.4 Determine the costs and timing of purchasing proper equipment.				
<input type="checkbox"/>	1.3.7.5 Compare these costs with the current costs of using less suitable equipment.				
<input type="checkbox"/>	1.3.7.6 If justified in the short-term, obtain the proper equipment.				
<input type="checkbox"/>	1.3.7.7				

## 2. Liabilities

### 2.1 Payables

Overall Strategy 2.1	<p>Payables terms with suppliers should be as long as possible without jeopardizing the source of materials, supplies and services. When cash is not available for payment, key suppliers should be contacted and given an estimated payment date, in order to avoid being cut-off from future dealing with this supplier.</p> <p>A company's formal payment terms should never be less than their Accounts Receivable terms or they will have continuous cash flow problems.</p>
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<input type="checkbox"/>	Problem 2.1.1	Large overdue payable to key supplier endangers future supply (or supply has already been cut off).
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Strategy 2.1.1	Communicate with suppliers about the company's temporary cash situation in order to avoid being cut off. Make sure suppliers know you have a plan to work out the company's problem.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.1.1.1	Negotiate with suppliers that have high outstanding payables in order to arrange for their rescheduling.			
<input type="checkbox"/>	2.1.1.2	Research the market to find alternative suppliers that can offer better conditions.			
<input type="checkbox"/>	2.1.1.3				

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<input type="checkbox"/>	Problem 2.1.2	Terms and conditions for purchases place excessive burden on company (cash in advance often required, terms too short, conditions restrictive, etc.)
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Strategy 2.1.2	Review informal methods of negotiating with suppliers; eliminate those that result in negative cash flow; and establish a formal policy.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.1.2.1	Eliminate informal purchasing policies that restrict the company.			
<input type="checkbox"/>	2.1.2.2	Establish formal purchasing and payables policies.			

<input type="checkbox"/>	2.1.2.3	Negotiate longest terms possible with suppliers and avoid paying cash in advance wherever possible.				
<input type="checkbox"/>	2.1.2.4	Investigate bank guarantees as an alternative to cash payment and develop alternative sources of supply with vendors who offer better terms.				
<input type="checkbox"/>	2.1.2.5					

<input type="checkbox"/>	Problem 2.1.3	No policy in place to manage payables.
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Strategy 2.1.3	Develop a policy that assigns responsibility for follow up on old payables, clearly defining when a payable is "old". One of the purposes of this policy is to avoid taking top management time to resolve payables matters.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.1.3.1	Write the above policy.			
<input type="checkbox"/>	2.1.3.2	Communicate the above to internal departments for action.			
<input type="checkbox"/>	2.1.3.3				

<input type="checkbox"/>	Problem 2.1.4	Payment by barter valued at unfavorable prices.
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Strategy 2.1.4	In cases where barter transactions are agreed upon as a mode of payment, prepare in advance a list of goods that can be subject of relevant transaction. Try to use your obsolete inventory in barter for payables. In any case, make sure the goods you offer in barter are not valued more highly than the payables you offset.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.1.4.1	Determine if your vendor will accept slow moving/obsolete inventory or underutilized assets to offset payables.			
<input type="checkbox"/>	2.1.4.2	Evaluate your barter transactions and stop making barter deals where value offered exceeds value received.			



<input type="checkbox"/>	2.1.4.3					
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<input type="checkbox"/>	Problem 2.1.5	Payables are in dispute, old, or potentially reversible.				
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Strategy 2.1.5	Discuss the causes of disputes and old invoices and, for suppliers who are important to the company, consider a negotiated settlement.				
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.1.5.1	Contact suppliers and negotiate a settlement, when appropriate.			
<input type="checkbox"/>	2.1.5.2	Investigate and correct causes of accounts payable disputes.			
<input type="checkbox"/>	2.1.5.3				

## 2.2 Debts

Overall Strategy 2.2	<p>Discover the possibility of consolidating short-term loans into one long-term loan. Discover the possibility of restructuring loans with lower interest rates or adding balloon payments. Discover the possibility of moving past due interest or principal payments to the end of the loan.</p> <p>Situation: Many companies have several short term loans. Many of these loans were made just to pay interest on other loans.</p> <p>Stop taking more short-term debt.</p>				
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<input type="checkbox"/>	Problem 2.2.1	High delinquency on interest payments.			
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Strategy 2.2.1	Interview the company top management to find the reason that each loan was made. Write actions for the company management to approach the local banks with options to restructure loans.				
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.2.1.1	List all short-term loans, including principle and interest payments.			

<input type="checkbox"/>	2.2.1.2	Contact each lender and restructure the loan to minimize short-term cash outflow.				
<input type="checkbox"/>	2.2.1.3					

<input type="checkbox"/>	Problem 2.2.2	High outstanding loan balances.
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Strategy 2.2.2	Discover if there is any possibility to restructure these loans.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.2.2.1	List all short-term loans, including principle and interest payments.				
<input type="checkbox"/>	2.2.2.2	Contact each lender and restructure the loan to minimize short-term cash outflow.				
<input type="checkbox"/>	2.2.2.3					

<input type="checkbox"/>	Problem 2.2.3	Recent short-term borrowing with high interest rates.
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Strategy 2.2.3	Discover if there is any possibility to restructure these loans..
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.2.3.1	Stop taking on more short-term debt.				
<input type="checkbox"/>	2.2.3.2	List all short-term loans, including principle and interest payments.				
<input type="checkbox"/>	2.2.3.3	Contact each lender and restructure the loan to minimize short-term cash outflow.				
<input type="checkbox"/>	2.2.3.4					

<input type="checkbox"/>	Problem 2.2.4	Number, distribution, and terms of loans are not well organized – potential exists for restructuring.
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Strategy 2.2.4	Discover if there is any possibility to restructure these loans.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.2.4.1 List all short-term loans, including principle and interest payments.				
<input type="checkbox"/>	2.2.4.2 Contact each lender and restructure the loan to minimize short-term cash outflow.				
<input type="checkbox"/>	2.2.4.3				

<input type="checkbox"/>	Problem 2.2.5	Overall debt level high relative to business value.
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Strategy 2.2.5	Consider the long-term viability of this company and possible infusion of equity capital.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.2.5.1 Consider infusion of equity from existing owners.				
<input type="checkbox"/>	2.2.5.2 Investigate potential sources of external equity capital.				
<input type="checkbox"/>	2.2.5.3 Do not borrow any additional funds.				
<input type="checkbox"/>	2.2.5.4				

<input type="checkbox"/>	Problem 2.2.6	Large amount of unpaid taxes.
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Strategy 2.2.6	The government is now putting undue pressure on the company to pay these taxes.  If one of the options to decrease costs is to retire people, then the government is expecting retirement taxes for these employees to be current.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.2.6.1 Determine if reduced or extended payment terms can be negotiated.				

<input type="checkbox"/>	2.2.6.2					
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<b>Problem</b> 2.2.7	High debts to (or from) related parties.
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<b>Strategy</b> 2.2.7	Debts to related parties should be subordinated to debts to unrelated parties. Pay your suppliers before you pay yourself.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	2.2.7.1	Separate related from unrelated debts				
<input type="checkbox"/>	2.2.7.2	Make plan to pay unrelated creditors first and defer payments on related debts.				
<input type="checkbox"/>	2.2.7.3					

## INCOME STATEMENT

### 3. Sales

<b>Overall Strategy</b> 3.0	Analyze all aspects of sales for possibilities of short-term cash generation. Areas to consider are nearby market expansion, price increases, and special bonuses to the sales force for specific sales accomplishments. Consider offering discounts for cash sales.
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<input type="checkbox"/>	<b>Problem</b> 3.1	Sales plan is overly optimistic (large variance from plan). <b>(KMR)</b>
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<b>Strategy</b> 3.1	Sales projections must be realistic if a company wants to attain its cash flow and other performance goals.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	3.1.1	Revise the sales plan to trend recent results and to show realistic expectations.				
<input type="checkbox"/>	3.1.2	Follow the action steps below if low sales rate is among the company's problems.				

<input type="checkbox"/>	3.1.3					
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<input type="checkbox"/>	Problem 3.2	Sales Trend is decreasing. <b>(KMR)</b>				
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Strategy 3.2	Analyze existing sales force incentives to make sure the goals are consistent with current, short-term needs of the company. Consider special pricing and consumer promotions to increase volume, quickly.				
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<input checked="" type="checkbox"/>		Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	3.2.1	Establish short-term goals for sales people.				
<input type="checkbox"/>	3.2.2	Establish incentive program for meeting goals.				
<input type="checkbox"/>	3.2.3	Reduce prices on selected products to a level that will still produce a profit.				
<input type="checkbox"/>	3.2.4	Advertise or promote price discounts through targeted media channels or personal selling.				
<input type="checkbox"/>	3.2.5	Offer discount pricing for cash payment.				
<input type="checkbox"/>	3.2.6	Consider assistance from BC's Marketing Practice Team.				
<input type="checkbox"/>	3.2.7					

<input type="checkbox"/>	Problem 3.3	Seasonal business problems (missed season, sales don't generate enough cash to get through low season).				
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Strategy 3.3	Use the same strategies and actions as in 3.1 and 3.2.				
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<input type="checkbox"/>	Problem 3.4	Prices not competitive.				
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Strategy 3.4	Product pricing is one of the most important strategic elements of a company. If your prices are too high and do not have actual or perceived added value, you can not compete. Reduce prices to market levels but only if you still produce a favorable profit and cash flow.				
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<input checked="" type="checkbox"/>		Action	Responsible	Start	End	Cash Benefit
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<input type="checkbox"/>	3.4.1	Make sure your source of pricing information is accurate.				
<input type="checkbox"/>	3.4.2	Analyze the costs to produce and deliver each product or highest selling products.				
<input type="checkbox"/>	3.4.3	Reduce prices on selected products and communicate this special new price to customers.				
<input type="checkbox"/>	3.4.4					

<input type="checkbox"/>	Problem 3.5	Sales backlog (contracts, open orders, etc.) is low.
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Strategy 3.5	Use the same strategies and actions as in 3.1 and 3.2.
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<input type="checkbox"/>	Problem 3.6	Excessive dependence on a limited number of customers or markets.
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Strategy 3.6	Focus on opening new domestic markets and explore possibilities of selling your products in foreign markets.
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<input checked="" type="checkbox"/>		Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	3.6.1	Determine if there are existing export markets for your products and sell to these markets.				
<input type="checkbox"/>	3.6.2	Attend BC Export Development seminar.				
<input type="checkbox"/>	3.6.3	Request export data base search for list of prospects.				
<input type="checkbox"/>	3.6.4	Review actions in 3.1 and 3.2.				
<input type="checkbox"/>	3.6.5					

<input type="checkbox"/>	Problem 3.7	No new customers or new markets are being added.
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Strategy 3.7	Focus on opening new domestic and foreign markets that can be serviced, immediately, with the existing products or minor variations.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	3.7.1	Establish short-term goals for sales people.				
<input type="checkbox"/>	3.7.2	Sell existing products with minor changes as an exclusive special for new markets.				
<input type="checkbox"/>	3.7.3	Determine if there are existing export markets for your products and sell to these markets.				
<input type="checkbox"/>	3.7.4	Request assistance from BC's Marketing Practice Team, including a data base search for list of prospects.				
<input type="checkbox"/>	3.7.5	Review actions in 3.1, 3.2 and 3.6.				
<input type="checkbox"/>	3.7.6					

<input type="checkbox"/>	Problem 3.8	Inadequate sales force (number of salespeople, effectiveness of salespeople).
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Strategy 3.8	Training sales people can be a short- or long-term process, depending upon the complexity of products but an inadequate sales force will drain a company's profits.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	3.8.1	Establish a program to train existing sales force.				
<input type="checkbox"/>	3.8.2	Hire new salespeople who understand your products and markets.				
<input type="checkbox"/>	3.8.3	Establish specific short-term goals for new people.				
<input type="checkbox"/>	3.8.4	Establish incentive program for meeting goals.				
<input type="checkbox"/>	3.8.5					

<input type="checkbox"/>	Problem 3.9	Sales force is not focused, does not have short-term plans or goals (or no marketing plan at all).
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Strategy 3.9	Analyze existing sales force incentives to make sure the goals are consistent with current, short-term needs of the company.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	3.9.1	Establish short-term goals for sales people.				
<input type="checkbox"/>	3.9.2	Establish incentive program for meeting goals.				
<input type="checkbox"/>	3.9.3					

<input type="checkbox"/>	Problem 3.10	Sales force does not know which products or customers are most profitable; does not direct efforts to areas of highest return.
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Strategy 3.10	Quickly analyze customers and product lines to determine the most profitable ones and direct efforts towards those customers and products while eliminating unprofitable ones.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	3.10.1	Using available data, identify the most profitable customers and those where you lose money.				
<input type="checkbox"/>	3.10.2	Establish special incentives to increase sales to most profitable customers.				
<input type="checkbox"/>	3.10.3	Raise prices or stop delivering to unprofitable customers.				
<input type="checkbox"/>	3.10.4	Using available data, identify the most profitable products and those where you lose money.				
<input type="checkbox"/>	3.10.5	Establish special incentives to increase sales of the most profitable products.				
<input type="checkbox"/>	3.10.6	Raise prices or stop making and selling unprofitable products.				
<input type="checkbox"/>	3.10.7					

<input type="checkbox"/>	Problem 3.11	Sales force does not know how to differentiate company's products from the competition (products are sold as commodities and price is the only important factor).
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Strategy 3.11	This is a problem that is difficult to fix in the short-term. Consider assistance from Business Consulting marketing practice to focus on one or two issues that can bring immediate positive results.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	3.11.1	Establish a program to train existing sales force.			
<input type="checkbox"/>	3.11.2	Request assistance from Business Consulting marketing practice.			
<input type="checkbox"/>	3.11.3				

#### 4. Operating Costs

Overall Strategy 4.0	<p>All operating costs should be reviewed for possible reductions. The best target may be labor costs. Consider layoffs, flexible hour, and pay reductions for all employees. Other operating costs like utilities, supplies, and transportation expenses should be considered for reduction.</p> <p>Make sure all purchasing is done through a competitive bidding process.</p>
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<input type="checkbox"/>	Problem 4.1	Gross margin is below breakeven. <b>(KMR)</b>
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Strategy 4.1	A company can not operate for long below their breakeven rate. If the calculation is correct, steps must be taken, immediately, to correct this situation.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	4.1.1	Reduce costs to a minimum in all areas of the business.			
<input type="checkbox"/>	4.1.2	Where possible, increase prices to improve profit.			
<input type="checkbox"/>	4.1.3				

<input type="checkbox"/>	Problem 4.2	Some product lines are unprofitable.
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Strategy 4.2	This topic has been written about in other sections of the actions. See section 1.2, Inventory.				
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	4.2.1				

<input type="checkbox"/>	Problem 4.3	Productivity is low (Sales/Employee). <b>(KMR)</b>			
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Strategy 4.3	Determine the minimum number of people required in each department to accomplish the short-term goals of the company and take steps to reduce staff to that number.				
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	4.3.1	Identify absolutely required work activities in all departments, including administration and sales.			
<input type="checkbox"/>	4.3.2	Reduce the number of people in all departments to the level required to perform absolutely necessary tasks.			
<input type="checkbox"/>	4.3.3				

<input type="checkbox"/>	Problem 4.4	Headcount is higher than needed to support level of business (make-work just to keep people busy; carrying inactive or wait-listed employees).			
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Strategy 4.4	In a short period of time analyze the real labor requirements of the company for the current production level. Most companies have too many people. As mentioned in the labor section, look for additional flexibility to reduce labor costs.				
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	4.4.1	Reduce the number of direct labor people to the level required for production to meet realistic sales forecasts.			
<input type="checkbox"/>	4.4.2				

<input type="checkbox"/>	Problem 4.5	Fixed expenses are high.
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Strategy 4.5	As with direct labor look at all overhead functions and costs and look for ways to reduce these costs in the short term.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	4.5.1 List every expense category and year-to-date spending.				
<input type="checkbox"/>	4.5.2 Determine which items can be reduced or eliminated.				
<input type="checkbox"/>	4.5.3 Identify absolutely required work activities in administrative departments, including sales.				
<input type="checkbox"/>	4.5.4 Reduce the number of people in administration to the level required to perform absolutely necessary tasks.				
<input type="checkbox"/>	4.5.5 Communicate the importance of reducing expenses and identify specific areas for which spending will be allowed.				
<input type="checkbox"/>	4.5.6				

<input type="checkbox"/>	Problem 4.6	Production downtime is high (equipment is down a great deal for maintenance, changeover, lack of materials, etc.)
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Strategy 4.6	This topic has been written about under the subject of fixed asset utilization. See section 1.3.
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<input type="checkbox"/>	Problem 4.7	Quality is poor – high scrap/waste/rework/return rate.
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Strategy 4.7	Waste generated at the production facility could be caused by production equipment, under trained employees, or lack of defined quality standards. Waste may also come from poor quality raw materials. This is difficult to fix in the short-term but a review is still appropriate.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
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<input type="checkbox"/>	4.7.1	Where waste is being properly recorded, review accounting records for specific items where usage is greater than the standard required to produce a product.				
<input type="checkbox"/>	4.7.2	Walk around the production area and make a list of material that has been discarded.				
<input type="checkbox"/>	4.7.3	Starting with the greatest waste material, in terms of value, identify the causes and take corrective action.				
<input type="checkbox"/>	4.7.4	Determine if there is a market for your waste or by-products.				
<input type="checkbox"/>	4.7.5	If wood, agriculture or food industries, consider assistance from respective BC industry expert.				
<input type="checkbox"/>	4.7.6	Consider assistance from BC's Manufacturing Process Improvement Team.				
<input type="checkbox"/>	4.7.7	Consider PVO expert.				
<input type="checkbox"/>	4.7.8					

<input type="checkbox"/>	Problem 4.8	Excessive dependence on a limited number of suppliers.
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Strategy 4.8	Analyze the situation to see if this problem exists. It may be difficult to find short-term cash generation solutions here. It may be possible that this is a long-term solution issue. Note it accordingly.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	4.8.1	List names of those suppliers upon whom the company may be excessively dependent.				
<input type="checkbox"/>	4.8.2	Compare prices charged by those companies with other available sources.				
<input type="checkbox"/>	4.8.3	Contact these suppliers insisting upon an immediate reduction in price.				
<input type="checkbox"/>	4.8.4	If prices are not reduced to your satisfaction, place purchases with a new supplier.				

<input type="checkbox"/>	4.8.5					
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<input type="checkbox"/>	Problem 4.9	Some operations/services provided within the company might be available at lower cost outside.				
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Strategy 4.9	Analyze outside services costs for potential short-term cash reductions.				
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	4.9.1	List high cost activities that are not core competencies.				
<input type="checkbox"/>	4.9.2	Determine which tasks can be outsourced.				
<input type="checkbox"/>	4.9.3	Starting with those areas of highest cost, consider whether or not other companies can provide a similar service or product.				
<input type="checkbox"/>	4.9.4	Contact these potential providers to determine their costs and compare this to internal costs.				
<input type="checkbox"/>	4.9.5	Eliminate the internal costs and purchase the service or product from a contractor.				
<input type="checkbox"/>	4.9.6					

## 5. Cash Flow

Overall Strategy 5.0	Many of the cash problems are really the result of other problems with the company. Analyze for short-term cash generation and write actions accordingly. The source of the cash problem will probably be in the sections already written, so check for actions there first.				
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<input type="checkbox"/>	Problem 5.1	Quick ratio (Cash + AR/AP) is less than 1.0. <b>(KMR)</b>			
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Strategy 5.1	Since this topic involves A/R and A/P. see sections 1.1 and 2.1.				
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
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<input type="checkbox"/>	5.1.1					
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<input type="checkbox"/>	Problem 5.2	Cash flow is negative before debt service.				
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Strategy 5.2	Negative cash flow is the result of many problems within the company. See all previous sections for appropriate actions.				
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	5.2.1				

<input type="checkbox"/>	Problem 5.3	Cash flow is decreasing.			
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Strategy 5.3	Decreasing cash flow is the result of many problems within the company. See all previous sections for appropriate actions.				
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	5.3.1				

<input type="checkbox"/>	Problem 5.4	Account Frozen			
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Strategy 5.4	Contact responsible party to understand condition leading to frozen account.				
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	5.4.1	Determine if account will be unfrozen through negotiations.			
<input type="checkbox"/>	5.4.2				

<input type="checkbox"/>	Problem 5.5	Unaccountable cash sales.			
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Strategy 5.5	Management must record all sales whether by cash, credit or barter. Management must be made to realize this is a serious problem if it affects payment of USAID credit.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	5.5.1 Place PVO controller in company to reconcile receipts with actual sales.				
<input type="checkbox"/>	5.5.2				

<input type="checkbox"/>	Problem 5.6	Working capital is being converted to fixed assets.
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Strategy 5.6	The company has an obligation to pay debts and creditors before investing working capital in fixed assets.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	5.6.1 Determine the status and potential penalties associated with the current conversion of working capital to fixed assets.				
<input type="checkbox"/>	5.6.2 Stop the purchase, if possible, and obtain any funds paid in advance.				
<input type="checkbox"/>	5.6.3				

<input type="checkbox"/>	Problem 5.7	Unrestrained growth (growth in excess of available working capital).
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Strategy 5.7	Stabilize cash flow from existing businesses before starting new ones, regardless of the perceived opportunity.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	5.7.1 Stop cash investment, either working capital or equipment, in new business activities that are not producing current sales.				
<input type="checkbox"/>	5.7.2 Focus management energies on correcting existing problems, first.				
<input type="checkbox"/>	5.7.3				

## 6. Management and Organizational Issues

Overall Strategy 6.0	<p>The overall objective is to generate short-term cash. The management needs to be able to perform this task and follow all of the actions that will be written in this document. This section evaluates the company's capability to perform.</p> <p>If there is management training necessary or if help from BC Practice Teams would be beneficial, write appropriate actions. The MPI Practice Team should be requested for quality problems.</p> <p>Write actions to insure that regular management meetings are held, if they are not already. Accountability should be established right away.</p> <p>Some problems that require more long-term solutions are mentioned. Note them as problems but do not write long term actions. Write only actions that will generate short-term cash.</p>
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<input type="checkbox"/>	Problem 6.1	Management lacks required skills to perform their responsibilities.
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Strategy 6.1	Management cooperation and action is required in order to effect a turnaround. Extraordinary steps might have to be taken to insure that management comprehends this process.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	6.1.1	Consider bringing in a PVO or interim local manager.			
<input type="checkbox"/>	6.1.2				

<input type="checkbox"/>	Problem 6.2	An effective business planning and budgeting process is not in place.
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Strategy 6.2	An effective organization is guided by a plan that is communicated to all employees. While an annual plan, with monthly goals and performance analyses is appropriate for most companies, the turnaround process requires shorter-term plans that must be accomplished on time.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	6.2.1	Prepare a three-month budget for each operating department.				
<input type="checkbox"/>	6.2.2	Tell all employees the type of work that is expected from them and set specific individual goals.				
<input type="checkbox"/>	6.2.3	Compare actual results with the budget and take appropriate actions.				
<input type="checkbox"/>	6.2.4	Monitor work performance often, letting employees know how they are performing relative to their goals and your expectations.				
<input type="checkbox"/>	6.2.5	Implement the plans that are developed with BC to produce sufficient cash to pay off overdue obligations to BF.				
<input type="checkbox"/>	6.2.6					

<input type="checkbox"/>	Problem 6.3	Daily cash management is poor.
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Strategy 6.3	Accurate reporting of data and assistance from finance in managing cash flow are major required elements to manage a turnaround. Immediate training or replacement of inadequate financial personnel must be seriously considered.
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<input checked="" type="checkbox"/>	Action		Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	6.3.1	Train or replace ineffective financial management.				
<input type="checkbox"/>	6.3.2	Consider PVO controller to establish a cash control and reporting system.				
<input type="checkbox"/>	6.3.3					

<input type="checkbox"/>	Problem 6.4	Lack of supply chain planning – is production making what sales is selling?
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Strategy 6.4	<p>It may take some analysis with production and sales figures to see where there are opportunities for cash generation.</p> <p>The major potential root causes of poor inventory management is poor planning or plan implementation. Interview top management relative to the inventory planning process. Start with the vision and company strategy and compare these goals with the actual process of forecasting inventory.</p> <p>Situation: The situation again may be excessive inventories, including raw material and W.I.P., making products with little or no potential to sell them. Wasted labor resources are probable.</p> <p>Situation: In cases like this sometimes the problem can be solved or the company helped by reducing costs. There is probably too much inventory, or W.I.P. Look for half-finished orders, shortages of material to finish orders or raw material for non-existing orders, or finished goods without orders.</p> <p>Interview the production and sales management. Review the policy and procedures for order processing and supply chain planning.</p> <p>With the appropriate information conduct a root cause analysis of potential problems and write actions relative to solving these problems. Focus on short term cash generation.</p>
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	6.4.1	Review the forecasting and scheduling process.			
<input type="checkbox"/>	6.4.2	Establish procedures to communicate realistic sales information to production in order to prepare schedules of raw materials purchases and finished goods production.			
<input type="checkbox"/>	6.4.3	Review contents of inventories relative to order processing. Analyze inventories from raw material through finished goods and liquidate excess quantities.			
<input type="checkbox"/>	6.4.4				

<input type="checkbox"/>	Problem 6.5	Organization structure does not support business needs.
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Strategy 6.5	A formal organization structure with clearly assigned responsibilities is a cornerstone of an effective, successful company. In the short-term a structure must be established that can focus on the recommendations made by BC.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
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<input type="checkbox"/>	6.5.1	Assign responsibility for specific actions to individuals who are capable of completing their assignments in a short time.				
<input type="checkbox"/>	6.5.2					

<input type="checkbox"/>	Problem 6.6	Existing reporting system does not provide needed information in a timely way.
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Strategy 6.6	Timely and accurate information must flow throughout the company in order to service customers and meet plans. Immediately, overhaul the reporting system to get accurate information to all departments.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	6.6.1	Establish a reporting system that gives at least weekly information on the status of the company's cash flow.			
<input type="checkbox"/>	6.6.2	Establish other reports that enable employees to be more effective in reaching the company's short-term goals.			
<input type="checkbox"/>	6.6.3	Consider PVO controller to establish a new reporting system.			
<input type="checkbox"/>	6.6.4				

<input type="checkbox"/>	Problem 6.7	Management team does not work cooperatively externally (with BC, BF, banks, etc.).
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Strategy 6.7	When management fails to cooperate in the turnaround process, they are indicating that they do not understand the serious nature of the process or do not care about the outcome. Consideration must be given to halting efforts to assist the company.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	6.7.1				

<input type="checkbox"/>	Problem 6.8	Management team does not work cooperatively, internally.
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Strategy 6.8	Turnaround is a serious process, requiring exceptional cooperation among all managers in an organization. The managing director must instill a sense of urgency and cooperation in his management team.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	6.8.1	Discuss the importance of total internal cooperation with the entire management team.			
<input type="checkbox"/>	6.8.2	Replace uncooperative managers who can not change.			
<input type="checkbox"/>	6.8.3				

<input type="checkbox"/>	Problem 6.9	Poor customer service (e.g., frequent order cancellations due to late delivery).
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Strategy 6.9	This is one of the reasons for declining sales and the loss of some customers. The reasons must be analyzed and corrected, quickly.
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<input checked="" type="checkbox"/>	Action	Responsible	Start	End	Cash Benefit
<input type="checkbox"/>	6.9.1	Develop a policy for satisfying customers who have received poor service and implement this policy, immediately.			
<input type="checkbox"/>	6.9.2	Develop a procedure for communicating to customers when you know their orders will be delivered late.			
<input type="checkbox"/>	6.9.3	Make a list of the specific reasons why customers cancel their orders.			
<input type="checkbox"/>	6.9.4	Correct the problems causing order cancellations and late deliveries, concentrating on the ones that are easiest to fix and affect the most customers.			
<input type="checkbox"/>	6.9.5				