

Goalseek

CASH FLOW		Current cash flow	Goalseek	Cash flow goal	Progress	Progress to goal
Start		65,000		300,000		284,000
Driver	% Change		From		Strategy	Solve
Price Change %	0%		2.50		2.50 (1)	50.00
COGS %	1%		59.42		(3.00) (2)	(0.50)
Overheads	1%		994,000			(14,692)
Days Payable	13%		21.90		3.00 (3)	2.88
Revenue Growth %	8%		67.88		50.00 (4)	8.40
Days Receivable	16%		10.90			(1.71)

The CFO Financial Navigator provides a process that allow us to analyze different strategies and their impact on a company's cash flow. It allows "what if" scenarios to determine what path seems best for achieving the goals that you seek. In this example the company has generated \$65,000 in cash flow but has a desire to get \$300,000 in cash flow. The "driver" listed above are different financial measures that the business can consider to meet this goal. Each strategy implemented will show how much progress is being made to reach your goal.

In the above situation the company has decided to do the following strategies.

- (1)- Increase product price by 2.50%. The last price increase was over three years ago.
- (2)- Reduce materials and labor costs in the company's cost of goods sold by 3%
- (3)- Increase the days payable by 3 days through better timing of payment to vendors
- (4)- Increase the volume growth by implementing several strategies such as bundled incentives...

Management would determine the best tactics to achieve each strategy.