

Sample Management Report

Financial Diagnostic Report

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Cash Wastage

Cash Wastage Analysis			
Growth		Actual	
Revenue		11%	
Acc Receivable	Sustainable	Actual	Waste
	11%	30%	19%
Operating Expenses	Sustainable	Actual	Gain
	11%	3%	8%
COGS	Sustainable	Actual	Gain
	11%	9%	2%
Inventory	Sustainable	Actual	Waste
	9%	14%	4%
Accounts Payable	Sustainable	Actual	Waste
	9%	-6%	15%

Financial Highlights 12-31-2006

Actual Cash Flow (216,497)

Total Cash Waste (98,315)

Sustainable Cash Flow (118,182)

Focus Points

Cash Wastage indicates how the Business has managed its growth.

Growth in Accounts Receivable, COGS and Operating Expenses are compared to Revenue Growth, where growth above Revenue Growth is considered Cash Wastage or Unsustainable Growth. If growth in Inventory is more than COGS growth it is considered Waste. Whilst a growth of Accounts Payable less than COGS is also considered Waste.

Total Waste or Gain is subtracted from Change in Net Debt to determine the level of cash flow that is Sustainable by the business.

Strategy - What If?

A decrease in Days Receivable by 1 day
Changes Total Cash Waste by (9,589)

A decrease in Operating Expenses % by 1
Changes Total Cash Waste by (35,000)

A decrease in COGS % by 1
Changes Total Cash Waste by (36,521)

A decrease in Days Inventory by 1 day
Changes Total Cash Waste by (6,712)

An increase in Days Payable by 1 day
Changes Total Cash Waste by (6,712)