



Questions to ask Owners and CEOs

As owners, CEOs, CFOs, and other strategic leaders of companies, you focus appropriately on the vision and how to achieve that objective. Moreover, you spend significant amounts of time establishing goals, objectives, processes, and procedures to handle the day-to-day operations. You look at financial and operational reports to help you address proximate concerns and long-term objectives.

Generally, results do not pan out as planned—good or bad. After spending all your energy focused on the long-term vision and grinding through day-to-day operations for six months, nine months, or even a year, do you ever sit back and ask yourself the following questions?

1. What is the difference between your net income and your cash flow? Why?
2. What is your current cash balance?
3. What will your cash balance be in 3 months?
4. Do you have an operating budget?
5. Has the budget been updated to forecast changing trends?
6. What is your forecast for the next 12 months of operations?
7. How much of your receivables will be collected?
8. What collection actions are necessary and to what extent?
9. How quickly are your receivables paid?
10. When do you pay your payables? Are you paying at the right time?
11. What are your variable and fixed costs?
12. Do you know what adjustments to revenue, fixed and variable costs are necessary to increase EBITDA and net income?
13. Do you trust the numbers you are getting?
14. Are you receiving the products and services invoiced by vendors?
15. Are you shipping the right product or service to customers or clients?