



Corporate Restructuring

LIQUIDITY MANAGEMENT

A CONVERSATION WITH
PETER BARTON, ELLIOTT DAVIS

WHERE ARE WE NOW?

The interest for liquidity management remains very high. Very few companies forecast cash flow and of those that do, even fewer companies stress test their forecast under different assumptions to aid in decision making.

We provide “cash flow triage” to forecast short term cash (60-90 day time horizon), then forecast cash out to one year to help customers understand future risk factors. Our customers bring the operational knowledge and we assist with the finance skills.

COVID has increased the demand for forecasting as companies are closely monitoring their available liquidity resources. We continue to follow the CARES act as changes to the PPP program occur on a weekly basis, and we suspect there will be a follow up round of PPP for the most impacted industries, and companies need to understand how that funding can affect their cash flow.

HOW DID WE GET HERE?

Because of COVID, most businesses have experienced increased cash flow volatility. **We believe COVID will result in businesses forecasting cash in some form since they will have a new appreciation for the impact of planning their liquidity.**

WHERE ARE WE GOING?

Businesses will seek support to forecast their cash flow and benchmark liquidity and working capital for continuity. They will also continue to seek long term business planning such as accountability, roadmap or capital funding; however, **beyond forecasting cash, the business needs to execute.**

Companies need to work on the financial elements of preparing cash flow models while also devoting operational resources to execute in uncertain and more predictable times. They are seeking a diverse skill set in their advisors, and we believe our collaborative service approach to combine industry specialization with technical finance and operations expertise positions our customers to better prepare for uncertainty ahead.



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To learn more about this resource and how you can incorporate it into your service offerings, contact Lauren Williams (lwilliams@moore-na.com).