

# Taming the Cash Monster



*You are passionate about making great Texas wines.  
I am passionate about helping you make a great Texas business.*

*Let's do this together!*

**CLARITY**  
Finance & Advisory  
Services

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# Taming the Cash Monster

Steve Patterson

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# Introduction

- Born and raised in Texas, returned in 1977
- Texas CPA since 1982
- 35 years as Controller and / or CFO
  - Owner-managed businesses, Non-profits & Public companies
- Sonoma State University - California
  - Certificate in Wine Business Finance and Accounting – 2016
  - Certificate in Wine Business Management - 2018

# Taming the Cash Monster

The key to taming the cash monster is **planning**.

- Invest in planning for success
- Know your numbers
- Cash & Activity-based system
- Evaluate, adjust & repeat - EAR



# Agenda

1. Why invest in planning?
2. What do I need to know?
3. How do I plan?
4. When do I evaluate?



# 1 - Why invest in planning?

- A. Financial Success
- B. Business Success
- C. Regulatory Success



# 1 - Why invest in planning?

## A. Financial Success

- I. Income
- II. Profit
- III. Value

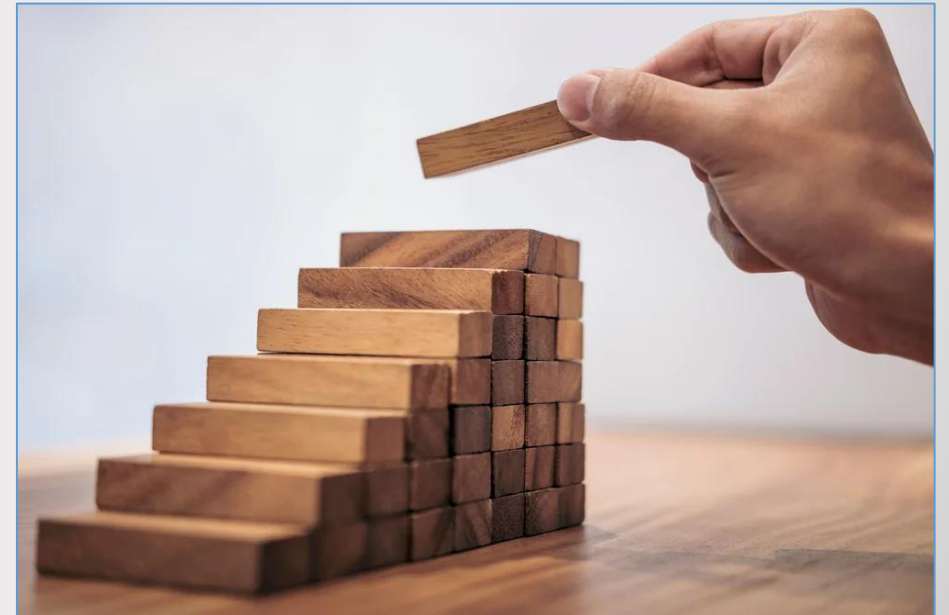


# 1 - Why invest in planning?

A. Financial Success

B. Business Success

- I. Stability
- II. Growth
- III. Flexibility





# 1 - Why invest in planning?

A. Financial Success

B. Business Success

C. Regulatory Success

I. Compliance

II. Audit

III. Tax



## 2 - What do I need to know?

- A. Cash Flow
- B. Profitability
- C. Business Value



# 2 - What do I need to know?

## A. Cash Flow

- I. Inflows
- II. Outflows
- III. Shortfalls



# 2 - What do I need to know?

A. Positive Cash Flow

B. Profitability

- I. Return on Investment
- II. Money for Growth
- III. Value Creation



# 2 - What do I need to know?

A. Positive Cash Flow

B. Profitability

C. Business Value

- I. Evidence based
- II. Strategic options
- III. Legacy



# 3 - How do I plan?

- A. Organize
- B. Schedule
- C. Evaluate



# 3 - How do I plan?

## A. Organize

- I. Comprehensive Chart of Accounts
- II. Separate Business Groups
- III. Separate Revenue & Cost Activities





# 3 - How do I plan?

A. Organize

B. Schedule

I. Spreadsheet of Cash Inflows and Outflows

II. Cash & Activity based

III. Separate by Group & Activity

Inflows & Outflows	January	February	March
Wine Sales	5,200	6,000	8,900
Merchandise Sales	250	300	500
Event Rentals	500	750	1,500
Production	(10,000)	(4,500)	
Merchandise purchases	(88)	(105)	(175)
Rent & Utilities	(1,500)	(1,500)	(1,500)
Labor & Taxes	(1,000)	(1,000)	(1,000)
Legal & Acctg	(500)	(500)	(500)
Net Inflows & Outflows	(7,138)	(555)	7,725
Cum Inflows & Outflows	(7,138)	(7,693)	33



# 3 - How do I plan?

A. Organize

B. Schedule

C. Evaluate

- I. Identify trends and directions
- II. Minimize surprises
- III. Maximize opportunities to adjust



# 4 – Evaluate, adjust & repeat!

- A. Have you tamed the **Cash Monster**?
- B. Do you have the **Time and Expertise**?
- C. Are you working **In or On** your business?



# Summary

1. Invest in planning for success.
2. Know your numbers.
3. Cash & Activity-based system.
4. Evaluate, adjust & repeat!



# Questions?



# Taming the Cash Monster



*You are passionate about making great Texas wines.  
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**THANK YOU!**



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