

Forecasting Cheat Sheet

1. Questions to Ask Clients in Advisory Meetings

- ☐ If next year is (about the same / slightly better / slightly worse) than last year is that an acceptable position for you?
 - If not, why not? Is the business / structure prepared - liquidity / working capital / physical space / warehouses & offices / headcount
 - What needs to change?
- ☐ What will have the biggest impact?
 - Who will be responsible?
- ☐ What does success 12 months from now look like and where is the plan to get you there?
- ☐ Can you afford NOT to know the impacts of your business decisions before you make them?
- ☐ What is your number one priority for this business during this fiscal year?
- ☐ In order to make better, more informed decisions, what is the most important and useful information that we can provide you with?
- ☐ What's the biggest challenge you are having in your business right now?
- ☐ What is the most important aspect of your business?
- ☐ Based on where you are year to date and what I know your goal is, what types of strategies are you looking to implement to meet that goal?
- ☐ What are your most important non-financial goals right now?
- ☐ Who will be making the final decisions on this project and who will be in charge of implementation?
- ☐ Is there anything that you or your employees are doing that may be getting in the way of achieving this result?
- ☐ Can you tell me what your ideal client looks like?
- ☐ Do I have the most up to date information on your financial situation? What can I update? If you're not on track, what are you willing to change to get on track? What won't you change?

2. Tips for Engaging in Advisory Services

- ☐ It is great to **start off simple** and introduce Spotlight to just a handful of your clients. Start with 1-2 per month.
- ☐ You could start off with a draft **Profit and Loss Budget** based off last year's actuals then introduce a more specific **Cash Flow Forecast**. This should be not only a profitable service line but equally valuable exercise to the client. The customer is also investing in your knowledge, expertise & guidance during this process.

- ☐ Offer **Scenario Planning** with Spotlight Forecasting to model out likely business impacts of decisions. Test “what if” scenarios and give your clients visibility over their options.
- ☐ Do a **Cash Flow Management exercise** to show the peaks and troughs and identify issues early. A shorter term view i.e 90 - 180 days can be just as useful for a client.
- ☐ **Pricing & Debtors Review** - demonstrate how you can help this come to pass. What and how they charge, what margins are desirable, which leads elegantly into Budgets and Cash Flow Forecasting.
- ☐ You can provide **Debt and Capital reviews** to right size loans and optimise debt structures, identify needs for investment and provide options available.

3. **24 Topics to Consider**

1. Revenue
2. Strengths, Weaknesses, Opportunities, Threats, Stability, Risks, Pipeline
3. Key Performance Drivers
4. COGS & Opex
5. GP %
6. NP %
7. Tax
8. KPIs (Financial and Non-Financial)
9. Liquidity Measures & Solvency
10. Business Structure
11. Risk Profiles
12. Investment Strategies
13. Capital Restructures
14. Resourcing Capabilities (could include Staff, Office Space, Warehousing, Stock, Supply Chains)
15. Budgeting
16. Cash Flow Forecasting
17. Cash Flow Management
18. Scenario Planning
19. Pricing & Debtor Management
20. Cash Management Policies
21. Debt and Capital Reviews
22. Merger & Acquisition Opportunities
23. System Review
24. Consolidation