



# Cash is King

## The Importance of Cash Flow Management

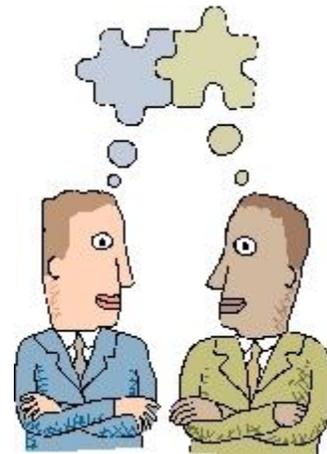
### by Jim Strong, CPIM, CSCP

**Manage Cash Flow:** Operating any business in today's economic environment means managing cash flow. Companies looking only at their earnings and not managing cash flow cannot and will not survive in today's economy where short term operational loans are not often readily available. This article explains the evolution of cash flow management in business operations and addresses some key concepts related to cash flow. [Click here](#) to read more about managing cash flow.

## Increasing Cash through Supply Chain Improvements

by Lisa Anderson, CSCP

**Improve Supply Chain:** Cash is king in today's business environment. Supply chain offers vast opportunity in accelerating cash flow. Put the two together, and you can be one of the few companies to leapfrog the competition in the new normal. [Click here](#) to read about the top three strategies to accelerate cash flow through supply chain improvements.



## Quick Survey

### How Do You Measure Your Cash?

**Tell us what you do:** This issue of our newsletter has dealt with the importance of managing cash for a healthy business.

We want to hear from our readers about the cash metrics that are most important to you and why? Do you look at Days Outstanding measurements, cash flow or other measurements? Send us a short paragraph explaining your most important Cash metric and why it's important to you.

## Increase Cash Flow by Reducing Inventory

by Doug Howardell, CPIM, PMP

**Reduce Inventory:** More companies fail for lack of cash than from lack of profit. One of the largest drains on a manufacturing company's cash is inventory. Reduce inventory and you will increase the amount of cash available to run the company. The job of supply chain professionals is to jealously guard the company's cash by making sure that only the inventory that is needed now is bought or built. Even knowing this many companies struggle with keeping inventory down. [Click here](#) to read about how to overcome that struggle.

## Using Consignment Inventory to Improve Your Cash Flow

by Jim Strong, CPIM, CSCP

**Use Consignment:** One approach that is often overlooked for acceleration of cash flow is the use of consignment inventories. Consignment goes beyond VMI/SMI (Vendor Managed/Supplier Managed Inventory) in improving cash flow because with consignment you don't pay for the inventory until you use it. With consignment inventory the customer takes possession of a supplier's goods on receipt of a shipment but does not own them. [Click here](#) to learn more about how to use consignment inventory to improve cash flow.

We'll keep ALL responses confidential. To contact us, please send an e-mail to: [ek@theacagroup.com](mailto:ek@theacagroup.com) Use the subject of "Cash Measurement".

We'll summarize the survey responses in a future newsletter as a way of sharing the information with the other readers.

Did you find this newsletter useful, interesting, etc.? We appreciate your comments. Send us your feedback on this newsletter to [ek@theacagroup.com](mailto:ek@theacagroup.com) using the subject line "ACA Newsletter Feedback".