

LOSSES TO PROFITS SERIES

— BONUS —

# WEEKLY FLASH REPORT

PROCEDURE AND INSTRUCTIONS

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## GOALS OF FLASH REPORTING

The Weekly Flash Report is prepared from key business indicator information contained in the various financial and operating reports. The Controller is responsible for the overall coordination and preparation, but the management team provides all the data.

The goals of the Flash Report are the following:

- Provide senior management with a current “snapshot” of the previous week’s key business indicator statistics, compared to the budget or forecast, and also the same week of the prior year.
- Allow management to become proactive in reacting to changes in trends or areas needing attention.
- Establish a common ground for management focus, to help ensure that predetermined operating performance and financial results are achieved.
- Require participation from the sales & marketing, operational and financial functional areas to measure and monitor key operating statistics weekly, rather than only when financial statements are prepared.

## BENEFITS OF WEEKLY FLASH REPORTING

The benefits of the Weekly Flash Report are the following:

- Focusing senior management on key business indicator statistics by functional area of the company (sales and marketing, operations, financial, etc.) rather than an infrequent review of the company in total.
- Setting goals that can be monitored weekly so that preferred results are achieved.
- Reporting frequently creates a proactive, as opposed to reactive, management style.
- Initiating communication between senior management of all functional areas and focused attention to the company’s common goals and objectives.
- Giving each manager a view of the company’s performance—successes or problem areas that should receive attention immediately.
- Helping to eliminate confusion and misinterpretation of the company’s most current results of operations.

# WEEKLY FLASH REPORT PROCEDURE

## *Reporting Frequency*

The Weekly Flash Report (copy attached) will be prepared highlighting weekly financial and operational results of the company. The report is prepared immediately after the weekly payroll report is final for the prior week, Monday through Saturday. The report template format will be developed on Microsoft Excel and may be revised as senior management receives and adjusts the data to their customized needs.

The report will contain information for the most current week ending and prior three weeks, providing a total of one month of history.

## *Information Included*

The report contains six sections of information: Cash Activity; Line of Credit; Accounts Receivable Aging; Accounts Payable Aging; Company Payroll (both dollars and headcount); Sales Trends and any other information that senior management desires. A copy of the Microsoft Excel format Weekly Flash Report is attached.

The information reported is:

### **Cash Activity**

The cash data is a recap of the week's cash activity. Disbursements are classified into three types: Accounts Payable Disbursements (A/P Disbursements), Payroll Disbursements (P/R Disbursements), and Debt Service. This reflects the actual cash activity and should reflect the actual information included in the Eight-Week Cash Forecast actual column for the prior week.

### **Line of Credit Activity**

The line of credit data of the week's activity should include:

- The Borrowing Base Calculation: The amount of borrowing available based on the assets required by the bank to collateralize the loan.
- The Current Line Usage: The total amount of money borrowed by the company as of the date of report preparation.
- Line Available: The subtraction of the Current Line Usage from the Borrowing Base.
- Percentage Used: The percent of the line of credit in use.
- Current borrowing interest rate.

### **Accounts Receivable Activity**

Four weeks of accounts receivable aging information (current, 1 to 29 days, 30 days to 59, 60 to 89 days, and over 90 days) will be reported (both dollars and percentages.)

### **Accounts Payable Activity**

Four weeks of accounts payable aging information (current, 1 to 29 days, 30 days to 59, 60 to 89 days and over 90 days) will be reported (both dollars and percentages.)

### **Company Payroll Activity**

Four weeks of gross payroll information is to be broken down into the production departments, selling, general, and administrative. This information should be reported in dollars and by the head count by category. The information is obtained from the payroll records and used in the Flash Report as it is recorded in the accounting records.

### **Sales Trends**

Four different sales data are reported, all obtained from the billing records and the estimating system. The information is the following:

- Jobs Shipped
- Jobs Billed
- Quotes Prepared
- Customer Orders Received
- Current backlog Status

### **Responsibilities**

The Controller/Accounting Manager is responsible for preparation of the flash report.

### **Distribution**

The report will be distributed to the Management Committee by 3:00 p.m. each Monday.

## Section 4 **CONCLUSION**

Reporting of weekly information to the company management team will provide each of them with tools for quick and immediate decision-making, allowing each manager to keep their finger on the pulse of their respective departments.

Section 5

# FLASH REPORT TEMPLATE

