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## Is your company saving cash?

Posted by mcole - 2009/07/28 20:06

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Cable companies like Cablevision are saving cash to survive the recession, but have to do so by cutting costs and spending on capex for instance.

It doesn't seem it will be a problem to jump start growth again once the economy rebounds though (See Cable TV operators channel efforts into boosting cash <http://www.cfozone.com/index.php/Cash/Cable-TV-operators-channel-efforts-into-boosting-cash.html>.)

But that's not true of all companies. Ira Jersey of RBC Capital Markets followed up with the following comments:

"Strong earnings can only continue if unit sales increase, productivity increases (price per unit made decreases), or unit price can be increased. We believe the first and last are unlikely in the coming environment of slow but above zero growth, so only productivity can drive earnings. So those firms that have recently invested in productivity are likely to initially post better results than those that have not, in our view."

Have you heard of other companies (or is your company) trying to save cash? If so, what are they cutting back on to do so? And how could it affect them going forward?

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## Re:Is your company saving cash?

Posted by SherylNash01 - 2009/07/30 17:41

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According to a recent report from Deloitte, in a cross-industry survey of over 300 senior executives, cutting costs remains the top strategic priority, with 56 percent of surveyed executives ranking cutting and managing costs as their top strategic issue.

This is not likely to go down the totem pole any time soon.

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## Re:Is your company saving cash?

Posted by mward - 2009/07/30 22:14

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Hoarding cash is the order of the day for anyone who is not hemorrhaging it. But hoarding cash is a corporate irresponsibility: if the firm doesn't have a good place to invest cash, its duty is to return that money to shareholders in dividends. That sounds short-sighted but there's a real agency problem when the board decides that they know what to do with the owners' money better than the owners do. It's no wonder, though, that no one does return profits to the shareholders. Until a fiscally conservative review and simplification of the tax code comes along and removes double taxation of dividends, companies will sit on cash.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/07/31 00:00

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MWard, See my blog on just that issue today, though I didn't touch on the taxation vexation. The other option is capital investment.. investors have been waiting forever, it seems, for that next big wave.

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## Re:Is your company saving cash?

Posted by mcole - 2009/08/03 05:57

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Maybe shareholders want to see cash returns, meanwhile in this economic environment it looks better to keep the cash to make interest payments and repay bondholders. By hoarding cash, companies can also work toward getting their credit ratings upgraded and ultimately lower their cost of debt. Obviously, there's always two sides of a coin.

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## Re: Is your company saving cash?

Posted by Ron F - 2009/08/04 23:08

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This a real conundrum that I don't think finance theory has adequately addressed. The thing is, fiduciary duty gets complicated when a company's solvency is called into question, so returning cash to shareholders isn't a slam dunk. In fact, managers may owe as much duty to debtholders and employees at such times.

Of course, theorists also argue that a BB rating is the most cost effective, implying that leverage should be maximized to produce the lowest WACC. But that theory makes an exception for times of financial stress. And guessing when those times are going to materialize is a fool's game, as we've just witnessed.

The essential problem, as I see it, is that capital investment is collectively a chicken-and-egg proposition. Few companies invest capital unless there are ample opportunities to earn a decent return. But those opportunities won't materialize if too few companies invest.

That's why the Fed is pushing on a string right now.

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## Re: Is your company saving cash?

Posted by HJohnson - 2009/08/05 00:08

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Companies must also be looking ahead to gauge how tightfisted the US consumer is going to become. We've already gotten some signs that the recovery will not be US-led this time around. Maybe the new paradigm will be solidified as: save at home, invest (capex) abroad?

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## Re: Is your company saving cash?

Posted by mward - 2009/08/08 19:08

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With historically low interest rates, now is a great time for companies to return cash to shareholders. Obviously there's a fiduciary duty to other stakeholders, e.g. bondholders and employees, so don't dump cash and reduce the cash position to dangerous levels, but this is a great opportunity to take either retire some higher interest rate debt or make investments by issuing new bonds. In five years, the federal deficit is going to make interest rates balloon (who remembers the mid-80's?) and having some long term debt on your books that you issued today is going to make your WACC whack!

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## Re: Is your company saving cash?

Posted by HJohnson - 2009/08/10 23:56

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Judging from Ron's blog last week, <http://www.cfozone.com/index.php/Newsflash/Why-re-opening-the-credit-markets-isn-t-enough.html>, some companies are doing this. What do you think, MWard, about Stiglitz calling for a second stimulus?

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## Re: Is your company saving cash?

Posted by mward - 2009/08/11 06:32

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We're headed for much higher interest rates, no doubt. The 50-year average mortgage rate is about 10% - when was the last time we saw that? We're due; cash is a bad bet. Taking on long-term debt is darn good strategy.

The Stimulus is a whole different issue. "Too big to fail" is a myth; the only significant business that failed? I don't quite recall who that was (anyone? anyone? Bueller?), but I sure do remember Barclay's swooping in to clean up the scraps of the carcass. The bailouts and first stim were a huge mistake. This economy was due to take a lot of lumps and we could

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have taken them all in 18 months, but we chose to mortgage our economy for the next 20 years. That said, now that we're stuck with the first stim, take off the blinders and start planning the second and this time spend it frivolously. Lots is going to get wasted, but most of the waste stays in the economy anyway. Some congressman cools \$90k in the freezer, and a year later he's walking into the bursar's office at Tulane to pay his kid's tuition. Waste and graft are subject to the multiplier effect, too.

The only thing that we've learned from Santayana is that Americans don't read Santayana. Back in the middle of the Great Depression, Roosevelt gave in to pressure to reign in spending and what happened? The Depression got worse again because they didn't keep their foot on the gas. Once you're on the water, you've got to paddle through the waves or your going to get swamped.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/08/14 19:45

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Apple is the new cash hoarder to watch, the WSJ points out today. \$31.1 billion in cash and no debt. Whatever they decide to do with it will be front page news, for sure.

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## Re:Is your company saving cash?

Posted by SherylNash01 - 2009/08/14 20:16

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Hoarding cash is certainly the trend. The Association for Financial Professionals' 2009 Liquidity Survey shows that almost 75% of companies had increased or maintained their U.S. cash balances during the first part of 2009. Companies are clearly stockpiling and positioning themselves to be the first out of the gate when the economy recovers.

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## Re:Is your company saving cash?

Posted by WFC - 2009/08/14 21:35

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The story isn't really whether cash balances go up (they almost always do in S&P 500 companies in aggregate), but if they decline. They do in good times because there is so much cash flow and they do in bad times because they want a safety net.

Companies certainly want to increase that cash cushion right now for the latter reason. But a company without real growth prospects can only hoard cash for so long. Vulture investors are pretty good at doing the math. Saving cash is only an effective business strategy for so long.

As for Apple, yeah, the cash is beyond ridiculous. They don't do dividends, buybacks or significant M&A. How are they going to get that cash back to investors? It's not so much an issue while the stock is doing well, but look out if the company stumbles.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/08/19 21:49

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Nice detail out from Howard Silverblatt at S&P today:

"On an issue level, I found 44 issues with more cash than Current Liabilities and LTD combined (23 had no LTD), with 31 of them in the Information Technology sector (16 of which had no LTD). Fifty-five issues had at least 25% of their market value in cash (25 IT and 11 Health Care), with 16 having over \$10 billion in cash."

He asks, appropriately:

"On aggregate, companies have cash, sidelined investors have cash, and governments have cash (or at least printing presses), but the question remains, when will they spend it?"

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## Re: Is your company saving cash?

Posted by Ron F - 2009/08/20 01:57

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WFC nails it with his point about growth rates. True, there are endless arguments to be made about whether hurdle rates really work, and whether the cost of equity can be measured accurately.

But management has to take at least a good guess at whether it can earn a decent enough return by investing the cash in the business or doing a deal that makes sense. If not, then all that cash is going to come back to haunt it. Sooner or later, investors are rightly going to demand their money back, through dividends, buybacks, or the liquidation of the company.

That said, if a company has a ton of debt to service, bondholders are not going to sit still for big buybacks or special dividends or asset sales that hurt the value of their holdings. And that will just drive up the cost of their debt.

That's the two-edge sword of leverage, though. So I wouldn't be surprised if shareholders sit still so long as management uses the cash to pay down enough debt to keep lenders at bay, at least until the credit markets return to normal, if, that is, they ever do.

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## Re: Is your company saving cash?

Posted by mcole - 2009/08/21 18:34

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According to a report today from the WSJ, companies aren't hoarding cash so much anymore but are using it to buy back bonds in the open market.

This isn't a new thing and I don't think it's announcing better times for these companies.

GMAC was already doing it last year, not because it didn't have other uses for that cash (it's GMAC!!) but because it had so much outstanding debt that it needed to use any way possible to reduce leverage.

And as the WSJ story mentioned, buying back bonds in the open market is a nice way to do so quietly, without alarming bondholders and driving prices down.

So it's not the best companies that are buying back bonds but the ones that really need to clean up their balance sheets.

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## Re: Is your company saving cash?

Posted by Ron F - 2009/08/22 01:13

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Makes sense that these companies would be trying to deleverage. But I've always been a little unclear on how this works. I mean what exactly are they accomplishing by borrowing to buy back debt? Presumably, they're effectively terming out maturities or subbing lower rate debt for higher rate stuff, and thus either improving their liquidity or reducing their interest costs.

But boy, this sure seems to be an incremental process with marginal results at best. I remember very distinctly that GE started reducing its reliance on commercial paper issued against off-balance sheet assets back in the early part of the decade after Bill Gross compared the financial engineering to Enron's, however loosely. Yet GE's still trying to delever.

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## Re: Is your company saving cash?

Posted by mcole - 2009/08/23 07:34

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I'm not sure if they borrow to buy back debt -- in which case you are right, the only thing they are achieving is extending maturities and hopefully getting a better rate -- or maybe they just use free cash flow.

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Then they just go in the open market and buy the bonds like any other investor would do. It's kind of sneaky and bondholders don't usually like it too much because that way the company tries to secure the lowest prices. But ultimately, they do have to disclose it in filings, I'm not sure how often though.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/08/26 19:48

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Maybe this issue of business spending is helping to keep demand for some stocks flat today.

The good news in durable goods, after all, was all about transportation. As Peter Boockvar at Miller Tabak pointed out in an e-mail, "Non defense capital goods ex aircraft, the core capital spending component, fell .3% after healthy gains in the two prior months."

So, look's like we're stuck in the doldrums until businesses get more confident. Not only do banks have to lend, lend, lend, companies will have to spend, spend, spend to finally lift this recession.

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## Re:Is your company saving cash?

Posted by Ron F - 2009/08/27 23:29

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Yep. But I dunno what to make of the market's behavior these days. I write a blog about Greenberg's alleged accounting nonsense at AIG and next thing you know the stock's way up because the new CEO is hobnobbing with the guy. Shows what I know.

That said, investors do seem to be grasping at any excuse to buy right now. So I don't know what to make of the reaction to the durable good report. Sometimes they seem to buy on the headlines, sometimes on the details.

But if investor confidence is going to serve as the be all and end all of policy making, I think we're in trouble. Look at the Reuters story we just put in the main module. The Fed, for all its professions of regard for transparency, is panicking over the court decision earlier this week that it must disclose the details of its negotiations with banks over their bailouts.

Disclosure will spark a bank run, the Fed says. Really? If the details are that disturbing, then maybe we should get our head out of the sand real quick. But that's not how Bernanke sees it. Maybe no Fed chairman would. Not even Volcker.

Yet in the end, I just don't think this is any way to run a railroad. Much less an entire economy. If the system is that fragile, then it needs a lot more shoring up than what we've seen so far.

Wait. I've got it. Hank Greenberg for Fed chairman!

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/08/28 00:03

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There we go! Problem solved! Can he bring along his little white maltese, Snowball?

I agree that it's worrisome that the system is this fragile. But maybe it was ever thus. I'm reading (slowly) "Lords of Finance" and boy, did those people ever make mistakes.

Anyone else read that?

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## Re:Is your company saving cash?

Posted by SherylNash01 - 2009/08/28 18:26

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According to the news reports today, it looks like big, big cuts are paying off for Dell. But what will be interesting is what comes next? There's only so much that can be cut...

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## Re:Is your company saving cash?

Posted by mcole - 2009/09/26 05:49

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High yield companies may not need to save cash anymore since access to capital markets has been open lately. Has the environment changed that fast since we started debating the cash issue?

Not only have stressed high yield companies been able to raise debt amid a rally in the junk debt market, but they've also been able to raise equity, as Barclays notes in a report today.

"This development is a significant positive for the market as the use of the proceeds are being used to pay down debt and repair overleveraged balance sheets," it wrote.

"The equity sales are being accomplished on multiple fronts: seasoned LBOs seeking an exit through an IPO and public high yield issuers deleveraging by offering secondary dea and/or converts."

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## Re:Is your company saving cash?

Posted by mward - 2009/09/27 05:05

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Especially with credit markets opening, it's important for companies not to sit on cash. If you can't spend it, give it to the shareholders. You're going to tell me that Apple is sitting on \$30B and would NEVER put out a cash drop; but Microsoft had about that same amount a few years ago and decided to give shareholders a bonus of \$10B. Leadership doesn't sit on the sidelines, and neither should cash.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/09/28 07:05

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Mward,I agree companies shouldn't sit on cash but I find it interesting that there's this old debate around who should get that cash. Shareholders vs. bondholders. It's always nice to see leverage go down, but returning cash to shareholders whether it's through dividends or share buybacks also strengthens a company.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/10/06 18:45

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Maybe companies will finally put the cash where it matters most -- back into their own businesses.

According to Dean Maki at Barclays Capital, companies have cut back too much, and we should be seeing a return to business investment soon.

The head of US economics research at the firm wrote this week:

"Once firms get the sense that the recovery will last, we believe the investment cutbacks that looked prudent when sales were plummeting will start to look excessive. In this sense, we think that corporate sector spending overshot to the downside in response to overly pessimistic projections. This is the usual behavior of corporations during and after deep recessions, and given that we have seen the greatest declines in business investment spending in the post-war era, we expect the usual snapback in the months ahead."

Then again, may companies think they have reason to be especially cautious after this "Great Recession"?

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## Re:Is your company saving cash?

Posted by SherylNash01 - 2009/10/06 20:08

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Companies have yet to show any signs of major spending or hiring and consumers are saving money at record levels. Trouble is, no one is completely convinced that the recession is receding, that recovery is around the corner. Unfortunately, that unbelief becomes some a self-fulfilling prophecy -- You think things won't get better and your behavior helps ensure that they won't.

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## Re:Is your company saving cash?

Posted by WFC - 2009/10/07 00:39

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It's all about jobs right now as Ron Fink pointed out again today.

Pimco's CEO is saying "Today's unemployment rate is much more than a lagging indicator. It is also a signal of future pressures on consumption, housing and the country's social safety net."

The economy can't expand --and in turn, employers won't hire-- until consumers consume and they won't do so until they feel like the economy is recovering. I'm not sure what the psychological trigger will be.

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## Re:Is your company saving cash?

Posted by mcole - 2009/10/07 05:50

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I disagree and I think that companies have started spending, just look at the recent M&A activity (and read the thread on the M&A surge in deals). Obviously, only the most financially sound companies have started doing so and with caution. So when it comes to unemployment, it may get worse before it gets better. But it doesn't mean that the economy isn't on the path to recovery.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/10/07 21:46

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I guess attendees at the AFP conference this year aren't as sanguine, Marine.

According to a survey they did a few days ago, only 11% think the U.S. economy is out of the recession, and 69% think the recession will continue well into 2010.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/10/07 21:56

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and here's another nugget from that AFP survey:

Asked whether their organizations would be apt to increase or decrease payrolls in next six months, nearly two-thirds of financial professionals say they expect to maintain payrolls at current levels. Of those responding, 22 percent expect company payrolls to shrink further while just 14 percent anticipate that their organization will resume hiring over the next six months. Similarly, the overwhelming majority of survey respondents expect to either maintain or further cut capital spending over the next six months. Just 21 percent of financial professionals anticipate their organization will increase capital spending in the coming months.

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## Re: Is your company saving cash?

Posted by mcole - 2009/10/09 05:41

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Meanwhile, Google has started hiring again and is also looking for companies to buy in anticipation of a recovery. Google is far from representing the whole economy but it's a start. Even Schmidt at Google said he hopes the company is a leading indicator, according to a NYT article. I just think Google is in a totally different world though.

Then there's Wall Street, which has been hit pretty hard obviously in this crisis and, well, financial firms seem to begin to rehire as well, mostly thanks to a bounce back in bond issuance and trading.

<http://uk.reuters.com/article/idUKTRE59662R20091007>

It's starting at a slow pace but I think this is more telling of where the economy is standing, especially in New York, where so many other industries like restaurants, car services, dry cleaners etc depend on the Wall Street machine to run.

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## Re: Is your company saving cash?

Posted by SherylNash01 - 2009/10/09 19:46

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A Conference Board report released today shows that nearly 60 percent of CEOs report scaling back on capital spending plans since January, while only 7 percent have increased spending. This is a considerable change from last year, when 17 percent had increased capital spending plans and 38 percent had made cuts. A decline in sales volume was the most cited reason for a decrease in spending.

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## Re: Is your company saving cash?

Posted by HJohnson - 2009/10/10 00:09

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I guess we're all waiting for that magic "tipping point," to make sense of these conflicting views. We've got the voices of doom, as Matt Quinn pointed out this week, vs. the people who accentuate the positive. Normally, I love accentuating the positive, but it's a bit dicey in these times.

What do you think would be the ultimate proof that we're out of the woods?

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## Re: Is your company saving cash?

Posted by Ron F - 2009/10/10 01:49

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Two words: Job growth.

And I'm not talking about a month-to-month decline in initial jobless claims or even in job losses but job gains. Otherwise, the economy will simply be shrinking more slowly, which is a long way from the same thing as a recovery.

I realize that Wall Street is a discounting machine, and so seizes on any future indicator, up or down. But there's been a fundamental disconnect between Wall Street and the real economy since at least the early part of this decade.

And until that changes, stocks may go up for a while for no good reason and without meaning anything real. Yeah, you'll see earnings surprises like those at Alcoa and Pepsi in the past few days that investors cheer, but if as likely (sorry, haven't digged into the numbers) those are done on the strength of cost cuts, that won't last. And neither will a market rally.

That's not to say the market can't go up without a recovery. Barry Ritholtz documented just how long the market can stay irrational over at his website, The Big Picture, earlier today or late yesterday, I forget which.

But if the question is, what's it gonna take to get a real recovery going, there's no avoiding employment growth.

There's also a somewhat cynical school of thought that suggests job growth is no longer necessary because of globalization or the wealth effect or some such, but that seems like specious reasoning to me.



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How after all is that supposed to work when world trade has fallen completely off of a cliff? In fact, other countries are in much the same boat as the U.S. And I suppose you might see Wall Street keep looting the Treasury for awhile longer, but at some point that is no longer going to work.

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## Re:Is your company saving cash?

Posted by SherylNash01 - 2009/11/02 17:10

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According to the WSJ, companies are still jittery and continue to stash cash. In fact, it reports that companies are holding more cash -- and a greater percentage of assets in cash -- than at any time in the past 40 years.

In the second quarter, the 500 largest nonfinancial US firms, by total assets, held about \$994 billion in cash and short-term investments, or 9.8% of their assets, up from \$846 billion, or 7.9% of assets, a year earlier.

Despite an improving economy, companies are clinging to their cash.

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## Re:Is your company saving cash?

Posted by HJohnson - 2009/11/02 17:37

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yeah, I love this graf in that article:

"Many companies have no plans for the cash, beyond peace of mind. "They'd have to beat me over my head to get it out of my hands," says Charles McLane, Alcoa's chief financial officer."

Looks like that's what investors may have to do!

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## Re:Is your company saving cash?

Posted by mcole - 2009/11/03 04:34

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Yes, that was a good line, Hilary.

The rally in the corporate bond market this year has certainly helped companies build their cash piles. I heard from several bond investors that although many companies raise debt in the bond market for M&A or to refinance existing debt, more and more companies are tapping the bond market simply for general corporate purposes. Rates are attractive and companies are taking advantage of cheap debt while they can, even if it means having to leave cash sit on balance sheet.

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## Re:Is your company saving cash?

Posted by annearf - 2009/11/03 19:04

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That's interesting. I wonder, have there been other times when companies have tapped the bond market for general purposes, not to fund a merger or refinance debt. That is, when this was widespread. If so, what was happening at that point and what was the effect? Or, is this an anomaly?

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## Re:Is your company saving cash?

Posted by SherylNash01 - 2009/12/11 20:04

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The Corporate Executive Board today is urging executives to stay focused on cash management.

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In this period of low consumer demand, fragile corporate balance sheets, and weak business models, explains Research Director Thomas Roberts, finance executives must precisely determine their company's cash obligations and usages (daily, weekly, monthly and quarterly), then juxtapose that against an accurate forecast of the cash generated by your firm. Incorporating prudent and disciplined cash management monitoring, forecasting, and usage is no longer optional; it is critical for survival.

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## Re:Is your company saving cash?

Posted by MQuinn - 2010/01/20 01:42

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Looks like investors are finally confident enough in corporate balance sheets to start clamoring for some new capital spending to spur growth.

Of course, the market has rebounded much more quickly than the economy as a whole. I'm still not convinced companies are prepared to eat into their cash or even looking to raise much debt other than to refinance older debt.

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## Re:Is your company saving cash?

Posted by SherylNash01 - 2010/01/26 21:00

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According to a survey released today by Grant Thornton, the majority of private U.S. companies are optimistic about the U.S. economy in 2010. Some 51 percent believe their company's revenues will rise in the coming year, 13 percent believe they will fall, and 36 percent believe they will stay the same.

That confidence will lead to investment -- with 54% targeting new markets; 53 percent improving workforce skills; and 44 percent, new products and services.

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## Re:Is your company saving cash?

Posted by tomqueeney - 2010/04/08 23:50

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Here is our "Top 10" list for Creating additional cash reserves  
<http://abusiness-consulting.com/content/expense-reductions>

Once you discover what your company is special at the next step is creating cash flow. Capitalize on it. Capitalizing on your expertise will create a revenue stream for you, reward your efforts and manufacture some business confidence.

1. Never Run Out of Cash. Running out of cash is the definition of failure in business. Make the commitment to do what it takes so it doesn't happen to you.

2. Cash Is King. It's important to recognize that the basics of cash flow are what keep your business alive. Manage it with the care and attention it deserves. It's very unforgiving if you don't. Remember, cash is king, because no cash means no business.

3. Know the Cash Balance Now. What is your cash balance right now? It's absolutely critical that you know exactly what your cash balance is. Even the most experienced person will fail if they are making business decisions using inaccurate or incomplete cash balances. This is fundamental to cash flow procedures. That's the reason why business failures are not limited to amateurs or people new to the business world.

4. Do Today's Work Today. The key to keeping an accurate cash balance in your accounting system is to do today's work today. When you do this, you will have the numbers you need - when you need them.

5. Do the Work or Get Someone Else. Here is a simple rule to follow to make sure you have an accurate cash balance on your books. You do the work or have someone else do it.

6. Don't Manage From the Bank Balance. The bank balance and the cash balance are two different forms of cash. Rarely will the two ever be the same. Don't make the mistake of confusing them.

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It's futile and frustrating to attempt to manage your cash flow using the bank balance. It's a prescription for failure. You reconcile your bank balance. You don't manage from it.

7. Know Your Six Months Cash Balance. What do you expect your cash balance to be six months from now? This one question will transform the way you manage your business.

This question really gets to the heart of whether you are managing your business or whether your business is managing you.

8. Cash Flow Problems Don't Just Happen. You would be amazed at the number of small businesses that fail because the owner did not see a cash flow problem in time to do something about it. The key is to always be able to answer the question - what do I expect my cash balance to be six months from now?

9. Have Cash Flow Projections. Cash flow projections are the key to making wise and profitable business decisions. They give you the answer to the all-important question from Rule # 7. It's impossible to run your business properly without them.

10. Take Care of Customers. Eliminate your cash flow worries so you are free to do what you do best-taking care of clients and making more money. Use these cash flow 101 rules to free yourself from cash flow worries. That way you can focus all your time and talents where you can make the most difference in your business.

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## Re:Is your company saving cash?

Posted by annearf - 2010/04/10 22:02

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The thing is, having cash flow is also related to knowing whether you're profitable. By that I mean, I see a lot of small businesses that have a handle on revenues but no idea what they're netting. It sounds simple, but many businesses don't pay enough attention to it.

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## Re:Is your company saving cash?

Posted by annearf - 2010/09/15 17:46

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I was just looking over this forum discussion and realized with a shock that we started this topic a year ago. Since that time there hasn't been much of a change in company treatment of cash. They're still sitting on it. What do you think can entice companies to stop hoarding?

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## Re:Is your company saving cash?

Posted by annearf - 2010/11/17 20:18

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I wanted to call everyone's attention to a post Denise Bedell just wrote about hoarding cash.

[http://www.cfozone.com/index.php?option=com\\_myblog&Itemid=626&show=Managing-the-perils-of-hoarding-excess-cash.html](http://www.cfozone.com/index.php?option=com_myblog&Itemid=626&show=Managing-the-perils-of-hoarding-excess-cash.html)

It discusses the potential downsides and diluting effects of sitting on too much cash for too long.

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## Re:Is your company saving cash?

Posted by dbedell - 2010/11/24 18:24

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Thanks Anne. I thought it was interesting to take a look at the downside of cash hoarding, or at least the risks inherent in holding onto excess cash without putting safeguards in place to ensure that money isn't wasted as a result.

The academics upon whose research the piece was based highlight the importance of good governance and corporate

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controls around use of excess cash. What are forum members doing in relation to this?

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## Re:Is your company saving cash?

Posted by annearf - 2010/12/02 03:05

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Just read a story in which some company heads, like IBM's, were saying they're holding onto cash because of uncertainty about regulations. Personally, I don't believe it. I think it's part of move to undercut legitimate efforts to regulate companies after the recent debacle, which came about largely thanks to lax regulation.

You know, fact is we need regulations. The burden may be too heavy on small businesses, but we need regulations.

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## Re:Is your company saving cash?

Posted by liliwang - 2011/11/16 22:15

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Pour ceux qui essaient de maintenir en place, le coffre offre un tachymètre qui mesure la vitesse sur une distance donnée. Plus de sucre est doux de cinq ans de garantie qui vient avec cette grande horloge. Peut-être la montre la plus populaire de la sacs de luxe ligne pour le Sprinter et Sprinter est de voir le concepteur de sport pour hommes, qui vient avec plusieurs choix de couleurs comme le bleu, le vert émeraude, orange ou rouge. Garde Moncler technologie utilise la puissance du révolutionnaire mouvement à quartz suisse ISA 8176 GMT, qui peut obtenir aussi précis que l'histoire est. Il dispose également Sacs Mulberry d'une minuterie ou minuterie secondes dans la fenêtre supérieure, de sorte que vous pouvez contrôler et améliorer ses temps au tour facilement. C'est génial Montre Rolex pour les nageurs ont un impressionnant 10 ATM, 100 mètres ou 330 mètres à partir du taux de résistance à l'eau. La garantie standard d'un an peut être facilement mis à jour jusqu'à cinq ans pour une taxe. Et les dames veulent une horloge qui reste est en marche, le kick doucoune Moncler boxing, ou le tennis. Et les deux sexes, vous sac de marque pas cher voyez une horloge qui ressemble et se sent bien dans une atmosphère d'attente et ne les Montre Rolex réplique laissez pas se sentir le nez est trop chaud ou le nez bouché. L'affaire est faite de couvertures durables en acier inoxydable et en caoutchouc, polyuréthane, et la ceinture dans la peau avec un spectacle inhabituel. Le cadran Sacs Miu Miu avec soleil bleu, noir, vert ou jaune avec une échelle de tachymètre et d'un cadran est entouré par seconde, minute et par jour.

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