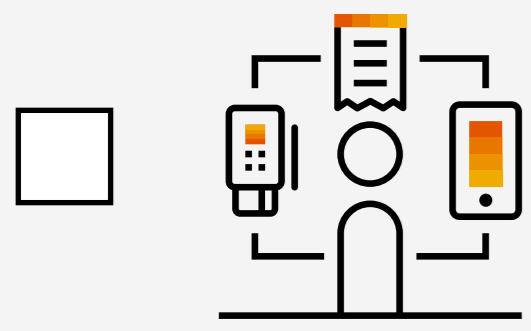


# Preparing for Growth

## Parameters for assessing the situation

### Financial Aspects



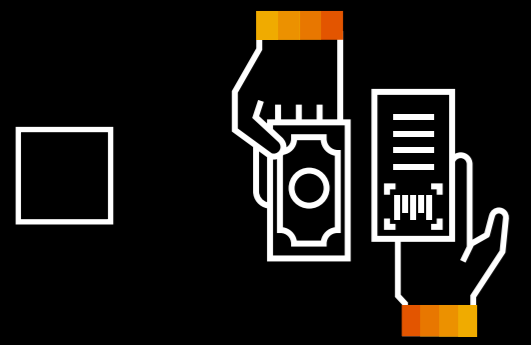
#### Revenue Generated in Each Phase

- Measure Realization (Payment Collection)
- Check Sales Pipeline and conversion



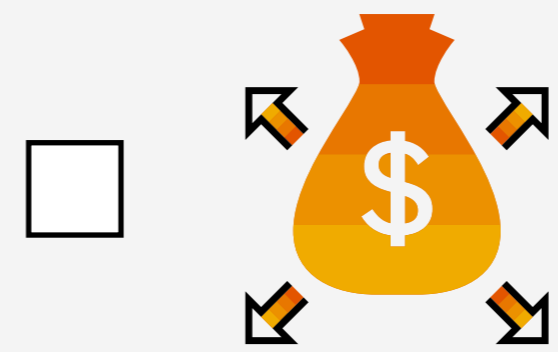
#### Profit

- List profit targets
- Check profits in the 3 phases
- Document reasons for deviation from target profit level



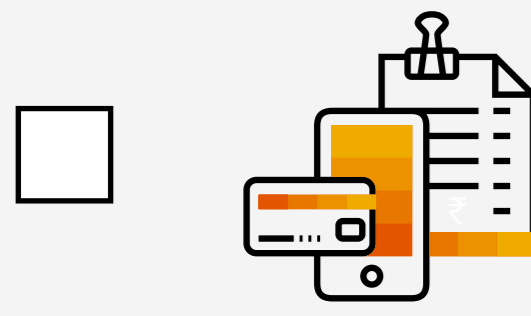
#### Trace Changes in Receivables Across the 3 Phases

- Amounts to be collected
- Delay in payment release by clients
- Total outstanding



#### Costs

- Normal costs before the pandemic
- Change on raw material costs
- Resource costs
- Other fixed costs



#### Cash Flow

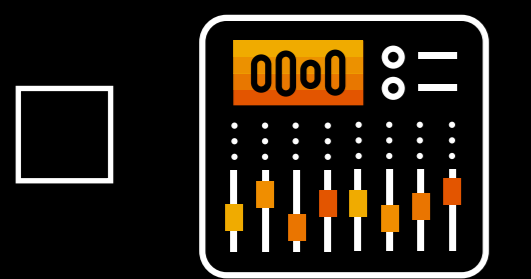
- Derive Cash flow for the last 18 months by plotting:
  - Opening Balance
  - Sales
  - Collections
  - Purchase
  - Payments
  - Closing Balance
- Compare cash flow changes
- Correlate with bank limit
- Check Monthly changes
- Establish relationship amongst – Sales, Collection and Payments



#### Working Capital

- Measure Current Working Capital Deployment using formula  
 $Working\ Capital = Current\ Assets - Current\ Liabilities$
- Assess Ideal Working Capital Requirements by studying
  - Monthly Receipts
  - Monthly Vendor Payments
  - Fixed Costs
  - Conversion Cycle
- Calculate Difference, if any
- List reason for incremental Working Capital Requirements

### Operational



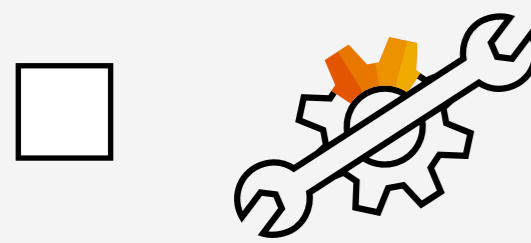
#### Plant/Set-up Utilization

- Assess Normal Time Available for Production
- Check Production Time
- Calculate Utilization Percentage



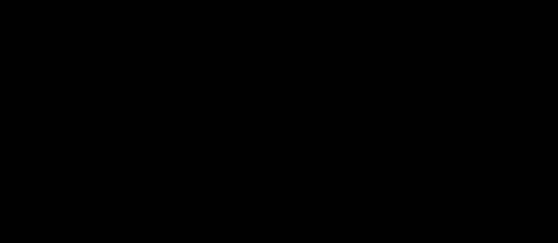
#### Inventory

- Check Inventory Levels in last 18 months
- Trace Inventory Movement for various material
- Calculate Inventory Ageing



#### Equipment Maintenance

- Check the condition of the equipment in Plant
- Validate Usability



- Check if any maintenance is required
- Estimate the Cost of Maintenance

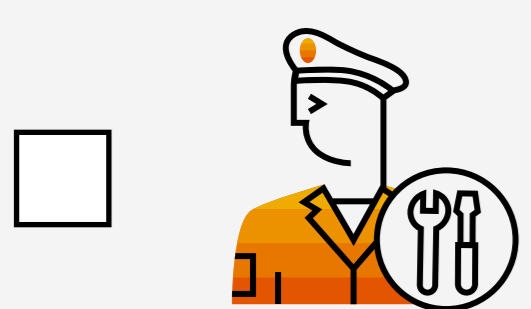
### Human Resources



#### Availability of Skill and Unskilled Labour



#### Attrition Levels due to various factors



#### Changes in priorities for the workforce