

Developing a Short Term Cash Flow Plan

Consider these questions when balancing income and expenses in the months ahead.

Due to the current business situation, you may have had to adjust your expenses and approach to cash management. Here are things to consider in developing an immediate cash flow plan. We advise discussing with your accounting or bookkeeping services to create a formal plan. These are just the basics to help you get started.



Begin by answering these questions:



What are your typical monthly sales and expenses (multiply by 3 for a 12-week average)?

1. What are your total sales in a typical month? _____
2. What are your total food and beverage sales (including alcohol) in a typical month? _____
3. What are your expenses in a typical month? _____
4. What are your labour costs in a typical month? _____



What are your forecasted sales for the next 12 weeks?

1. What is your percent of change compared to the same period last year (or a time frame not affected by COVID-19)? _____
2. Using realistic projections, what do you expect your sales to be (keep in mind the potential of limited hours and capacity)? _____

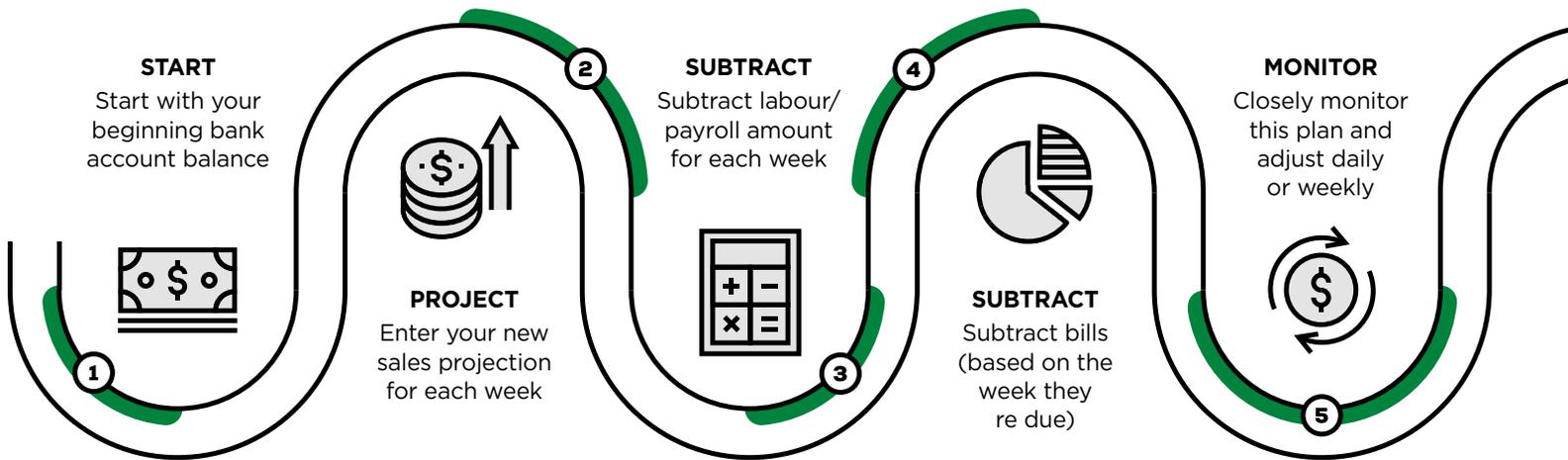


What are your forecasted expenses for the next 12 weeks?

1. What expenses will you have after you worked through your expense reduction strategies? _____
2. Using realistic projections, what do you expect your labour costs to be (keep in mind the potential of limited hours and capacity)? _____



DEVELOP A CASH FLOW PROJECTION SPREADSHEET



WAYS YOU MAY BE ABLE TO REDUCE EXPENSES



- Review all bills, line by line. A review of itemized charges may uncover hidden expenses you can address.
- Cut audio and TV subscriptions (you don't need these if nobody is dining in).
- Perform only critical maintenance and repairs, and hold off on remodels and upgrades.
- Have employees do tasks that you previously paid a service to perform (window washing, lawn care).
- Restructure your menu to reduce inventory while focusing on easy to execute and higher-margin items.
- Reduce labour schedules when possible and consider building shorter-term schedules.