



We are about you[®]

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We make your company more productive by applying: Lean Engineering, Manufacturing, and Service Processes

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Cash Is King

How to Manage and Increase Your Cash during a Recession

Current economic affairs have put an undue burden on the construction business. More and more contractors are being audited and scrutinized by their financial institutions for their performance. Despite lower cost of money offered by the government guaranties, the availability of capital is still very scarce. More than half of the contractor's bankruptcies are due to cash-flow and not lack of profits. In other words **CASH IS KING**.

Without adequate cash flow, contractors cannot survive. President Reagan recognized the difficult position of contractors in low economic times. In the Tax Reform Act of 1986 (TRA '86) construction law was changed to allow contractors to better manage their financial assets and cash-flow. The spirit of the TAMRA law was to enable contractors to progress bill based on the actual or observed percent completion. However, until recently, due to the lack of methodology for objectively measuring observed percent complete, progress billing has often been based on percent of incurred cost of completion.

This course will teach the elements of aggressive cash-flow management. It will focus on:

1. Correct recognition of job progress
2. Labor productivity and its impact on billing
3. Procurement management and payments
4. Project financial management

Owners, Executive Managers, Project Managers and high level Field supervisors will learn how to manage cash in tough economic times.