stratavor

KPI Selection Guide

# Which measures belong in a board pack, and the eight that would have *warned Company A.*

Sixteen measures, each with the finding it gave one company, the formula, the level to set and the decision it led to. Six questions to choose them by.


Are we on plan? pages 4 and 5

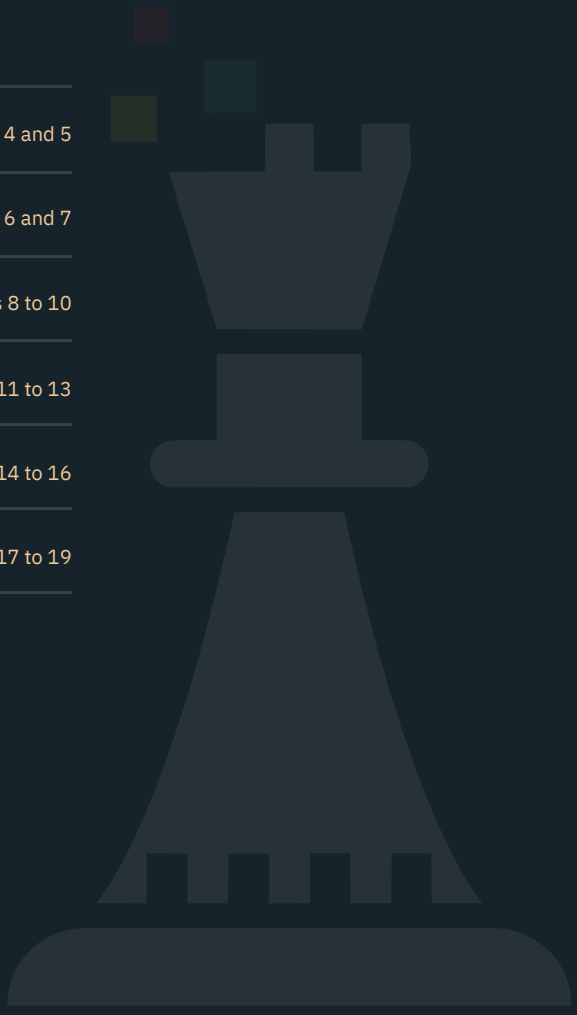
How safe is the revenue? pages 6 and 7

Do we make money on what we sell? pages 8 to 10

Will the cash be there? pages 11 to 13

Can we carry what we owe? pages 14 to 16

If you sell time, are the hours paying? pages 17 to 19


**A free guide from Stratavor.** Illustrative figures: Company A and Firm B are not real companies.

November 2026
stratavor.com

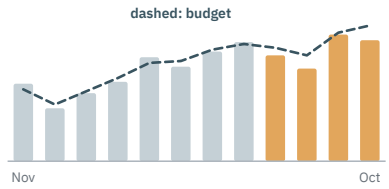
# Six questions, one or two measures for each. Chosen that way, Company A's eight show *four off target.*

**4 of 8**

measures off target, three to watch and one on course. Its pack showed none of it.

Company A's board read revenue, profit and month-end cash, and all three looked manageable. **Asked properly, the six questions every board should ask tell a different story**, one page at a time.

## 1 Are we on plan?

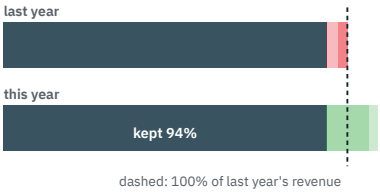



**−€218k**

● short of budget for the year, and below it in each of the last four months.

Revenue against budget and last year; operating profit against budget. Pages 4 and 5.

## 2 How safe is the revenue?

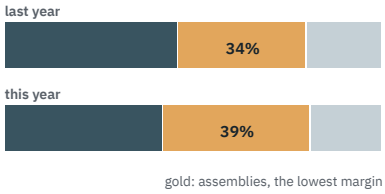



**94%**

● of last year's revenue came back from the same customers; with their growth, 106%.

Gross revenue retention; customer concentration. Pages 6 and 7.

## 3 Do we make money on what we sell?

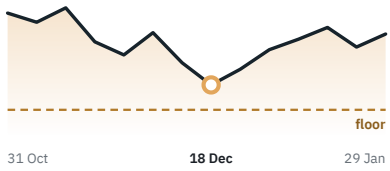



**−€107k**

● of gross profit lost to mix as assemblies, the lowest-margin line, grew.

Gross margin; sales mix; contribution by line. Pages 8 to 10.

## 4 Will the cash be there?

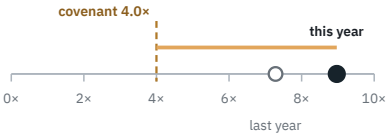



**€95k**

● above the floor at the forecast low point, in the week to 18 December.

Cash conversion; debtor days; cash headroom. Pages 11 to 13.

## 5 Can we carry what we owe?

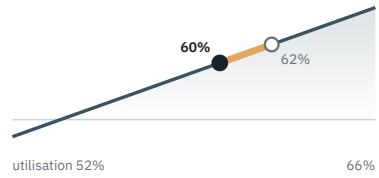



**9.0×**

● interest cover against a covenant of 4.0: a quarterly measure, not a monthly one.

Current ratio; interest cover; net debt to EBITDA. Pages 14 to 16.

## 6 If you sell time, are the hours paying?




**€122k**

● of profit in every point of utilisation at Firm B, which lost two points this year.

Utilisation; net multiplier; lock-up. Pages 17 to 19.

## The measures a board is shown decide the questions it asks.

Start from the questions, not from the figures that are easy to report. **Pick one or two measures for each, set a target, floor or limit before the year starts, and report them the same way every month.** Six rules for choosing are on page 3; starter sets for five kinds of business on page 20.

# A pack that gets read starts from the board's questions, *not from the data.*

**6 to 8**

measures in a board pack: one or two for each question, the same every month.

Six rules, in the order you would apply them. **The most important is the third: a figure without a level set in advance cannot be on or off course.**

### 1 Start from the board's questions.

List what the board needs to know each month, and choose one or two measures for each. A measure that answers none of them belongs in the appendix, if anywhere.

### 2 Six to eight, the same every month.

Fewer leaves a question unanswered; more and the pack stops being read. Keep the set for at least a year so the trend means something. Measures a lender tests quarterly are reported quarterly.

### 3 Set every level before the year starts.

A target is where you plan to be, a floor the least you will accept, a limit the most. The board sets them, in the budget or the risk register, not the person reporting. Without a level, a figure cannot be on or off course.

### 4 Pair results with early signals.

Revenue, profit and cash say what happened. Retention, debtor days, headroom and utilisation move first. A good set has both, and the early signals get the discussion.

### 5 Define each measure once.

Write down its formula, its source and its period, and compute it from the ledger the same way every month. A measure whose definition changes when it looks bad has stopped measuring.

### 6 Give each measure an owner and a decision.

Name who acts when it crosses its level, and agree in advance what the board will consider when it does: if the largest customer passes 20%, the board reviews the contract and the pipeline.

**One measure, as the board should see it every month**

| The measure | The figure | Its level, set in advance | Where it stands, in words | Which way it is heading |
|---|---|---|---|---|
| **Debtor days** | 52 | 45 target | ● 7 days over target | Rising every month since March |

**Decide**
**Name an owner and a date for each of the four accounts that owe all of the overdue debt.**

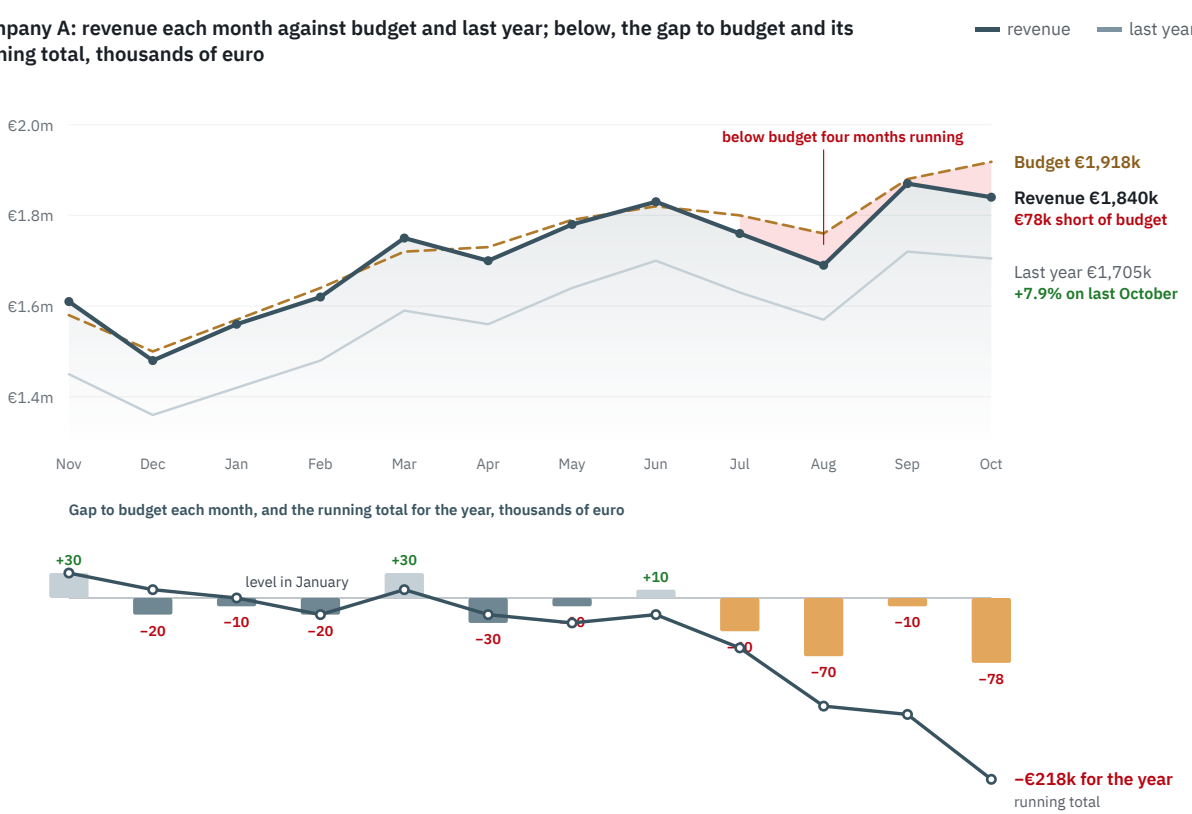
# Revenue grew 7.9% on last October, and still came in *€78k short of plan.*

**−€218k**

short of budget for the twelve months; level as late as January.

Two comparisons answer two questions. **Last year says whether the business is growing; budget says whether the plan is being delivered.** Company A is doing the first and missing the second, four months running.

**Company A: revenue each month against budget and last year; below, the gap to budget and its running total, thousands of euro**




## −€78k

short of budget in October, 4.1%: the fourth month below it in a row.

## +7.9%

on last October, and 8.8% up for the twelve months: the business is growing.

**How to measure it**

Gap = revenue − budget; growth = revenue ÷ the same period last year − 1

**From** sales invoices net of credit notes, and the budget. **Report** monthly, with the year to date beside the month.

## A business can be growing and falling behind its plan at the same time. Only the two comparisons together show it.

**Set the budget as the target, phased the way the business really sells,** and agree the gap that needs an explanation: 3% in a month, or 1% for the year to date.

> **Decide**
>
> **Call Customer 07, which has not been invoiced since 18 September, and confirm the two orders that moved into November.**

Illustrative figures; Company A is not a real company.

# October's profit came in €50k short of budget, and *volume and payroll explain most of it.*

**€162k**

operating profit in October, against a budget of €212k.

Operating profit is the result the plan exists to deliver. **Reported as a bridge from budget to actual, every cause of the gap gets its own line, and so its own owner.**

**Company A: from budgeted to actual operating profit, October 2026, thousands of euro**




## −€29.6k

- from volume: €78k less revenue at the 38.0% budgeted margin.

## −€27.8k

- from costs: payroll €18.3k over, and a €9.5k legal fee that will not repeat.

**How to measure it**

Gap = operating profit − budget, split into volume, margin and each cost line that moved

**From** the profit and loss account and the budget.
**Report** monthly.

## Without the one-off legal fee, October was €40.5k short. A bridge separates the trend from the noise.

**Set budgeted operating profit by month,** phased like revenue, and a trigger for an explanation, such as 10% of the month's budget.

**Decide**

**Move the two budgeted hires to January.**

Illustrative figures; Company A is not a real company.

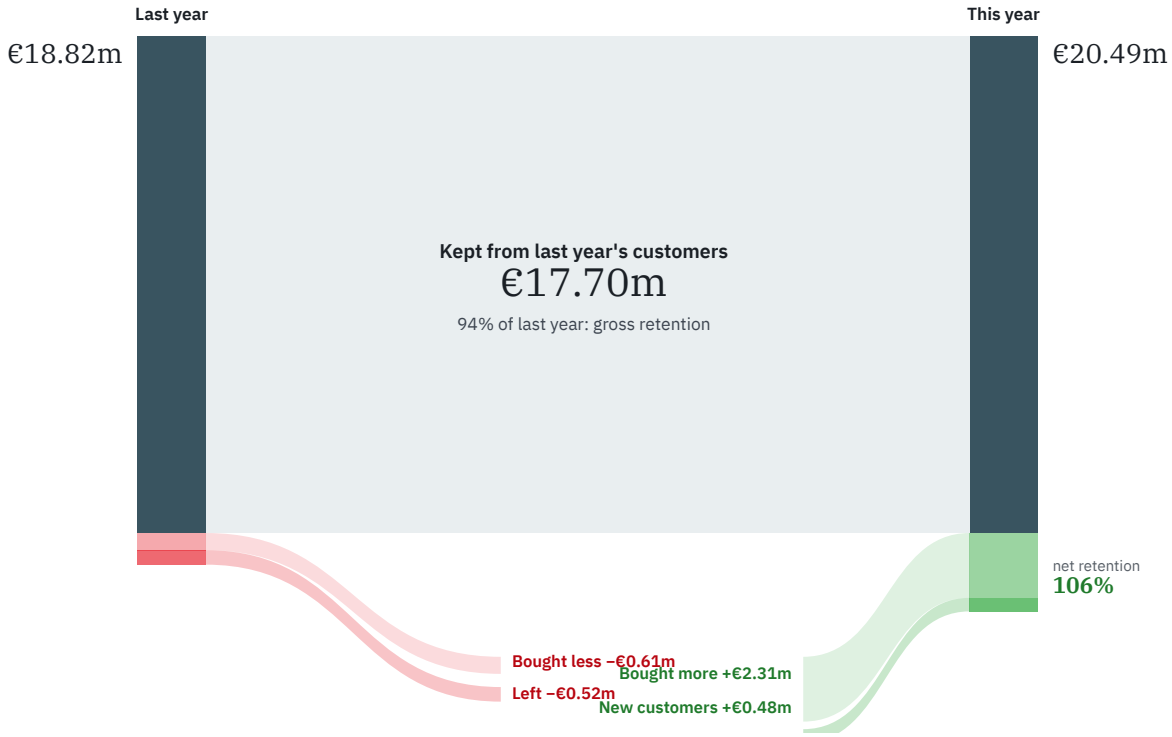
# Last year's customers brought back 106% of their revenue, but *6% quietly slipped away.*

**94%**

gross revenue retention, a point short of the board's 95% floor.

Gross revenue retention is **this year's revenue from last year's customers, each counted at no more than it spent last year,** as a share of last year's revenue. It needs no subscriptions: invoices are enough.

**Company A: from last year's revenue to this year's, twelve months to October**




## 106%

● net retention: the same customers' growth covered the loss, and more.

## €1.13m

● lost with customers who left (€0.52m) or bought less (€0.61m).

**How to measure it**

This year's revenue from last year's customers, each capped at last year's spend ÷ last year's revenue

**From** sales invoices by customer, both years.
**Report** monthly, on the last twelve months.

## Growth from the customers who stay can hide the ones who are leaving. Gross retention cannot be flattered.

**Set a floor from your own last three years** and the length of your contracts. Company A's board set 95%.

**Decide**

**Agree an account review for the five customers whose spending fell most, owned by the sales director, by 15 December.**

Illustrative figures; Company A is not a real company.

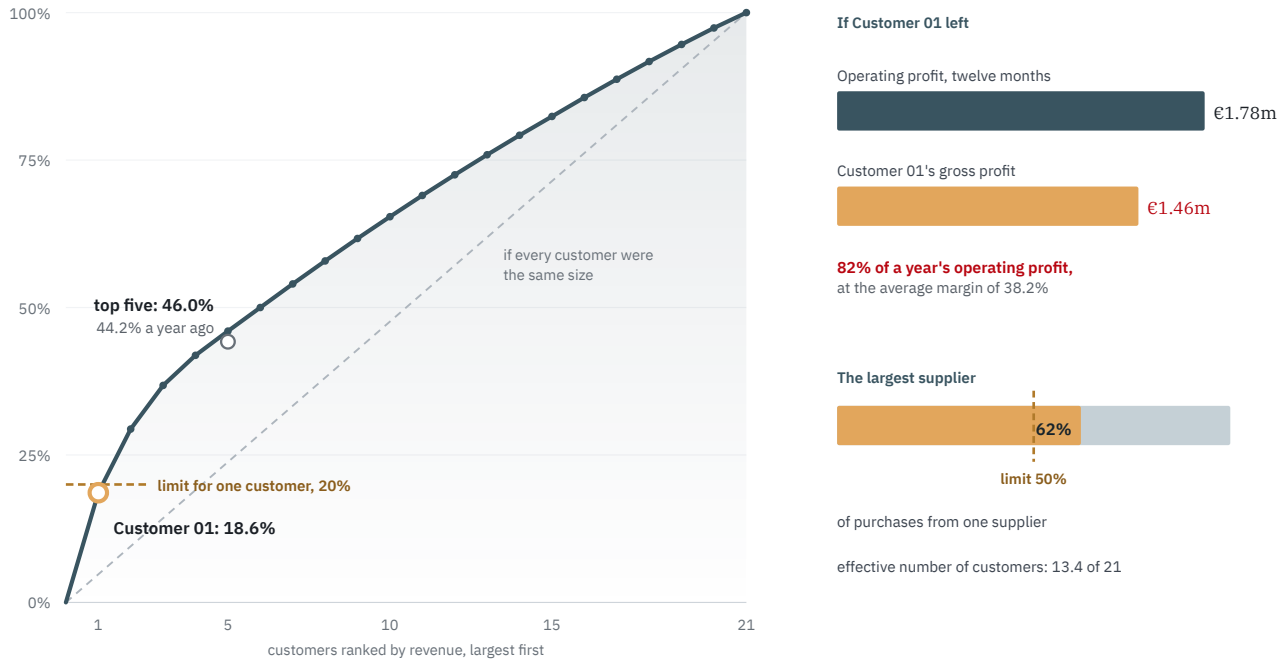
# The largest customer is inside the 20% limit, but *losing it would wipe out 82% of a year's profit.*

**18.6%**

of revenue from Customer 01, 1.4 points inside the limit, and rising.

Customer concentration is **the share of revenue from the largest customer, and from the largest five.** Inside the limit is not the same as safe: the measure that matters is what losing the customer would cost.

**Company A: running share of the last twelve months' revenue; beside it, what losing the largest customer would cost**







## 46.0%

● from the top five customers, up from 44.2% a year ago.

## 62%

● of purchases from one supplier, against a limit of 50%.

**How to measure it**

Largest customer's revenue, last twelve months ÷ total revenue; effective number = 1 ÷ the sum of squared shares

**From** sales invoices by customer, grouped by owner; purchase invoices by supplier. **Report** monthly.

## Growth from one customer reads as good news in the accounts, and raises the stakes in the risk register.

**Set a limit for one customer and one for the top five** with the risk register, and the same for suppliers, from how long a switch would take.

> **Decide**
>
> **Agree what the board wants to see if Customer 01 passes 20%, and approve a trial order with a second supplier.**

Illustrative figures; Company A is not a real company.

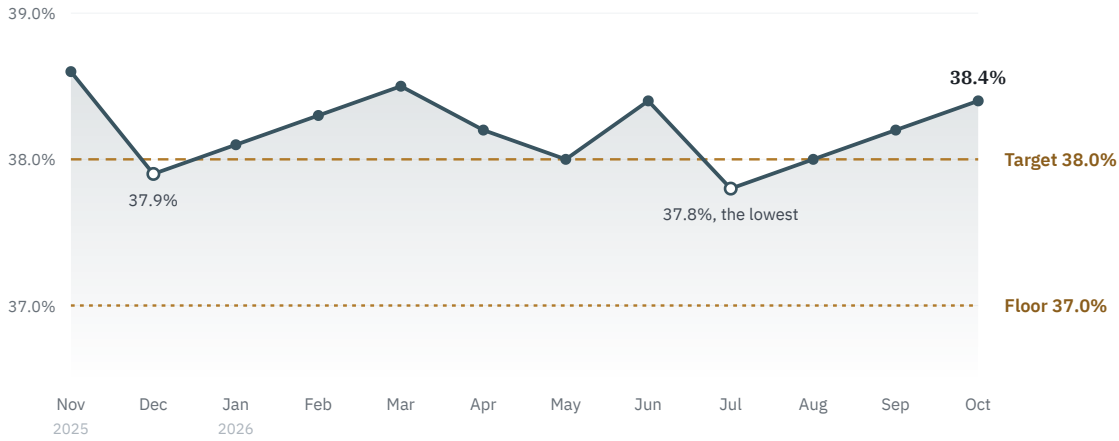
# Gross margin is on target at 38.2%, yet *half a point has gone since last year.*

**38.2%**

gross margin for the twelve months, above the 38.0% target.

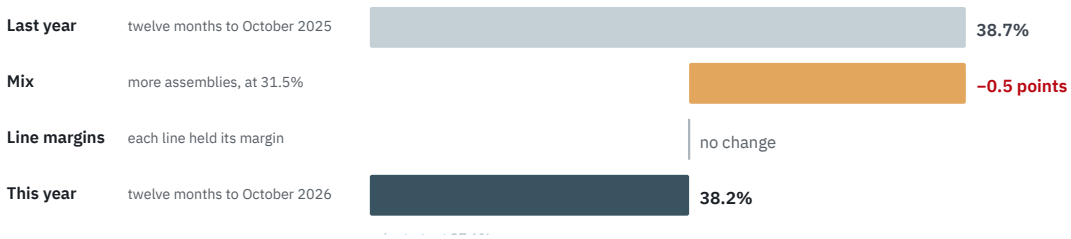
Gross margin is **what is left of each euro of sales after the cost of making or buying what was sold.** A margin on target can still be slipping; the comparison with last year shows it.

**Company A: gross margin each month against its target and floor**




Open markers: months below target.

**From last year's gross margin to this year's, points**




## 2 of 12

● months below target, December and July; none below the 37.0% floor.

## −0.5 pts

● on last year's 38.7%, and all of it from mix (page 9).

**How to measure it**

(Revenue − cost of sales) ÷ revenue

**From** the profit and loss account. **Report** monthly, with twelve months beside the month.

## Every line held its margin. The fall came from selling more of the line that earns least.

**Set a target from the budget and a floor below which the board acts,** here 38.0% and 37.0%, and agree what sits in cost of sales so that months do not swing.

> **Decide**
>
> **Review prices on the assemblies range in January.**

Illustrative figures; Company A is not a real company.

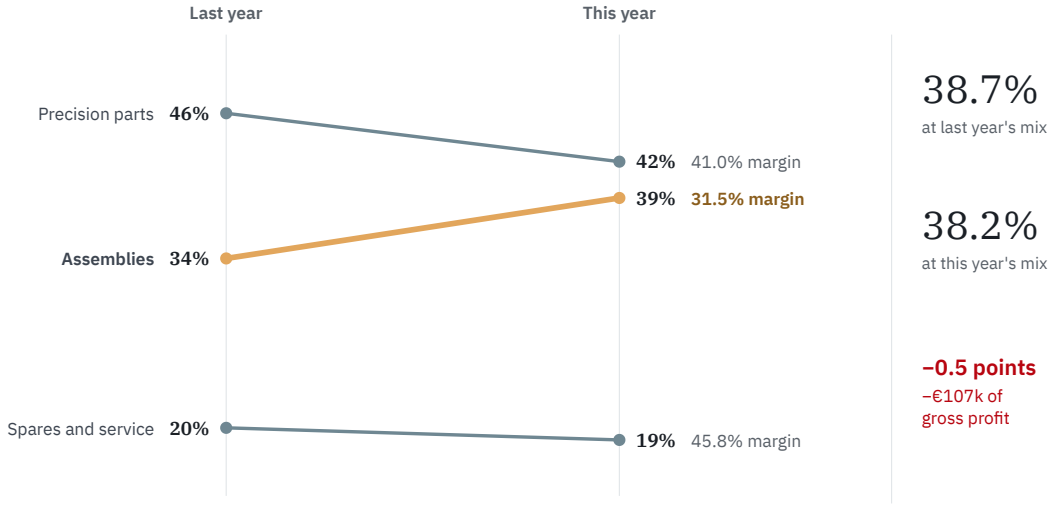
# Assemblies grew fastest, at the lowest margin, and *the shift cost €107k.*

**–€107k**

of gross profit a year from the change in mix, with every line's margin unchanged.

Sales mix is **the share of sales each line makes up.** When the lower-margin lines grow fastest, margin falls even if every price holds.

**Company A: share of sales by line, last year and this year, with each line's gross margin**




**39%**

of sales from assemblies, up from 34%, at a 31.5% margin.

**–0.5 pts**

of gross margin from the change in mix alone.

**How to measure it**

Margin at last year's mix – margin at this year's, both at this year's line margins

**From** sales and cost of sales by line. **Report** monthly, in the margin bridge.

## Mix is decided outside finance, by which customers sales chase and which lines they price to win.

**There is rarely a target for mix itself: set a range for the share of the lowest-margin line,** or show mix as its own step in the margin bridge.

**Decide**

**Price new assemblies work at a gross margin of at least 33%, and review the effect in March.**

Illustrative figures; Company A is not a real company.

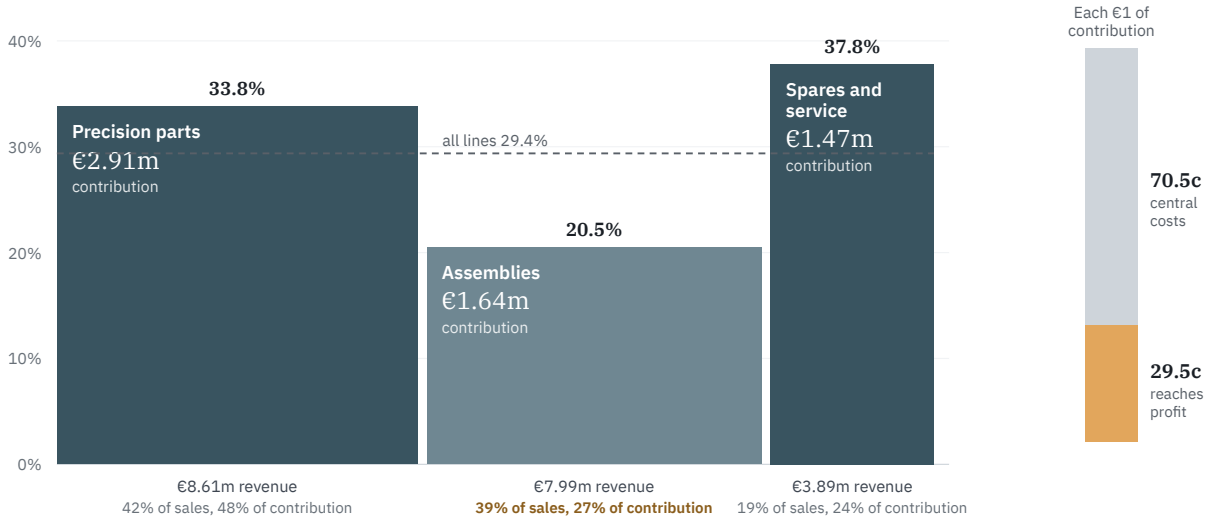
# Assemblies bring 39% of sales, but only *27% of the contribution.*

**29.5c**

of each euro of contribution reaches operating profit, after €4.24m of central costs.

Contribution is **what each line earns after the costs that exist only because of it.** It shows which lines pay for the business, and which the business pays for.

**Company A: contribution as a share of each line's revenue, each line drawn as wide as its revenue**




## 20.5%

● contribution margin on assemblies, against 33.8% and 37.8% on the other two lines.

## €6.02m

of contribution from the three lines, before central costs.

**How to measure it**

Gross profit by line – the costs tagged to it; share reaching profit = operating profit ÷ total contribution

**From** gross profit by line, and costs tagged to each line. **Report** quarterly.

## The line growing fastest is the one the business is paying for.

**Set a floor for each line's contribution margin** when the line is budgeted. Two quarters below it needs a decision on price, cost or exit.

**Decide**

**Ask for an assemblies plan in January: price, cost to serve, and the customers that make it worth carrying.**

Illustrative figures; Company A is not a real company.

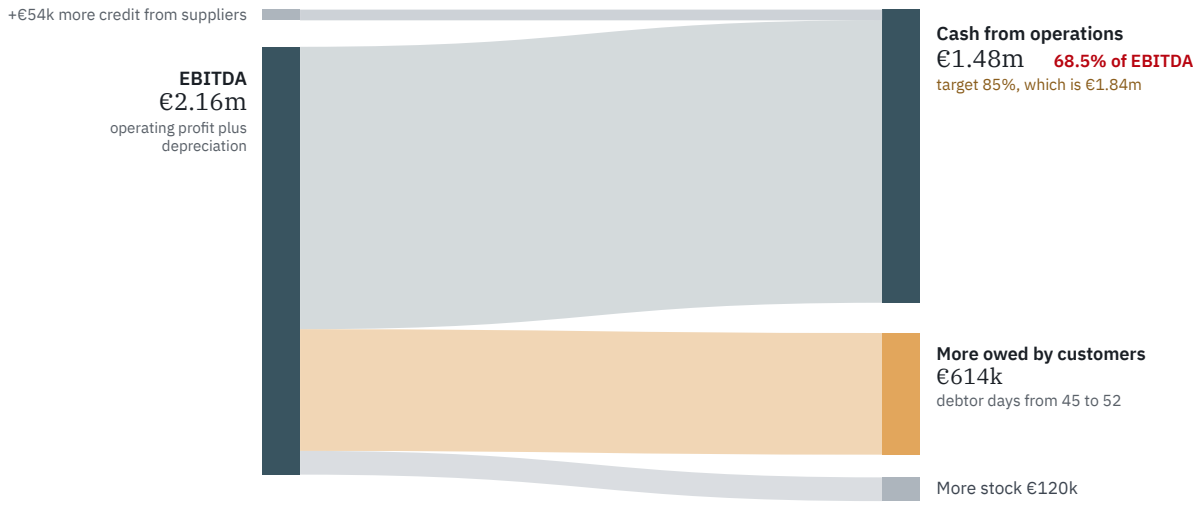
# The profit was there. *Almost a third of it never reached the bank.*

**68.5%**

of EBITDA turned into cash from operations, against a target of 85%.

Cash conversion is **cash generated from operations as a share of EBITDA.** Profit that sits in debtors and stock pays no bills.

**Company A: where the year's EBITDA went, twelve months to October, thousands of euro**




## €614k

● more owed by customers than a year ago: most of the €680k now held in working capital.

## €356k

● more cash an 85% conversion would have brought in.

**How to measure it**

Cash from operations ÷ EBITDA; cash from operations = EBITDA − rise in debtors and stock + rise in creditors

**From** the profit and loss account, and balance sheets at both ends. **Report** monthly, on a rolling twelve months.

## Conversion is where the profit and loss account and the bank part company.

**Set a target from your own last three years, less an allowance for growth,** since growth ties up working capital. Company A's board set 85%.

**Decide**

**Approve a credit hold on accounts more than 60 days overdue, from 1 December.**

Illustrative figures; Company A is not a real company.

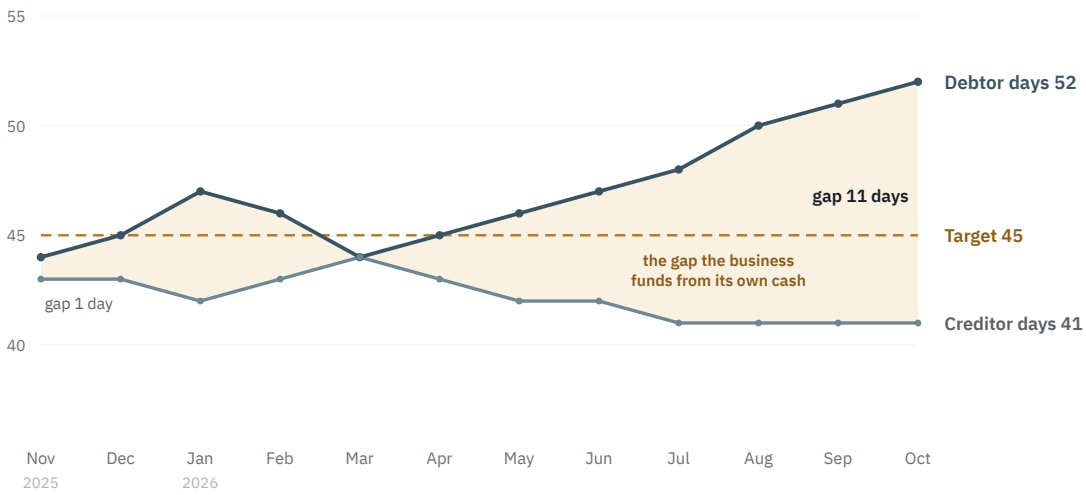
# Customers now take 52 days to pay, and *the seven extra days hold €415k.*

**52**

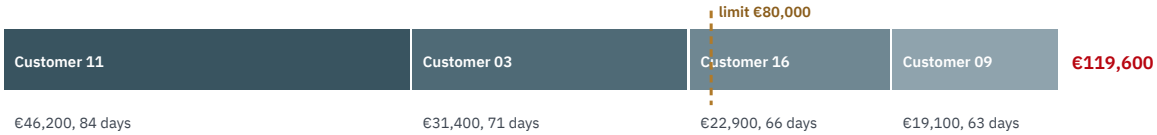
debtor days at 31 October, against a target of 45, rising every month since March.

Debtor days measure **how long customers take, on average, to pay.** Set beside creditor days, they show how much of the gap the business funds from its own cash.

**Company A: debtor days and creditor days at each month end**




**More than 60 days overdue at 31 October, by account, against the €80,000 limit**




## €119,600

● more than 60 days overdue, against a limit of €80,000. Four customers owe all of it.

## 11 days

● between debtor and creditor days, funded by Company A itself; a year ago it was one.

**How to measure it**

Trade debtors ÷ revenue × 365, on the last three months at a yearly rate

**From** aged debtors and creditors; revenue and cost of sales. **Report** monthly.

## The average hides where the money is: four accounts owe all of the overdue debt.

**Set the target from your terms:** the average terms you give, plus the few days customers usually take. Company A sells on 30 to 45 days and targets 45.

**Decide**

**Name an owner and a date for each of the four accounts that owe all of the overdue debt.**

Illustrative figures; Company A is not a real company.

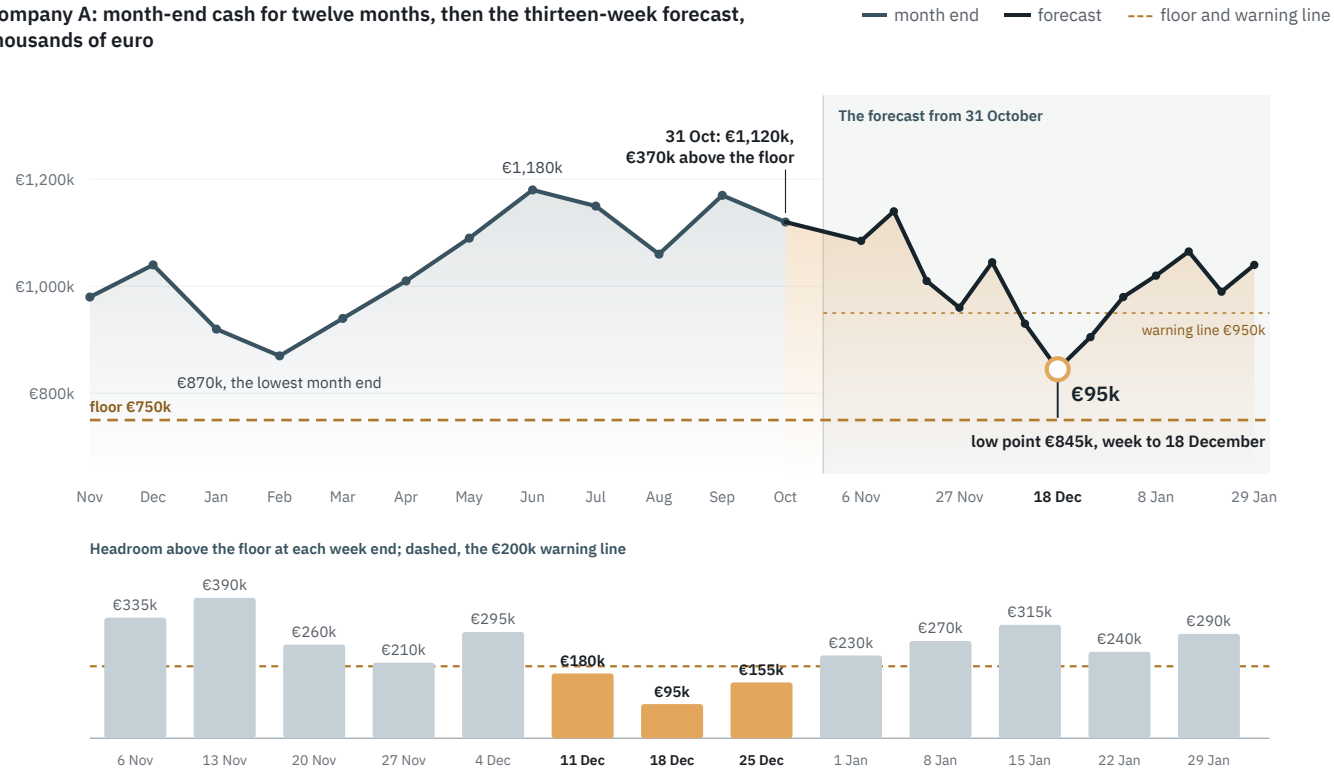
# Month-end cash said €370k of room. The forecast says *€95k, the week before Christmas.*

**€95k**

cash headroom: the forecast low point, in the week to 18 December, above the €750k floor.

Cash headroom is **the lowest balance in the next thirteen weeks, less the floor the board has set.** Month-end cash shows one day the calendar chose; headroom finds the day that matters. Company A's comes in December, **when VAT and the December payroll fall in the same week** and customers are taking 52 days to pay.

**Company A: month-end cash for twelve months, then the thirteen-week forecast, thousands of euro**




**Headroom above the floor at each week end; dashed, the €200k warning line**




## €370k

above the floor at 31 October: the figure the pack showed, and why it asked for nothing on cash.

## 3 of 13

weeks below the board's €200k warning line, all of them in December.

**How to measure it**

Lowest forecast balance in the next 13 weeks – the floor

**From** bank balances, aged debtors and creditors, payroll and tax dates. **Report** weekly while headroom is under a month of costs.

## The pack showed where the cash was. The board needed to see how close it would come.

**Set a floor and a warning line above it.** The floor comes from what a bad month would cost, here about six weeks of overheads; the warning line starts the conversation before the floor is reached.

**Decide**

**Report headroom weekly until the end of January, and agree with the bank now what is available if December comes in low.**

Illustrative figures; Company A is not a real company. Month-end balances as in the Board Pack Template.

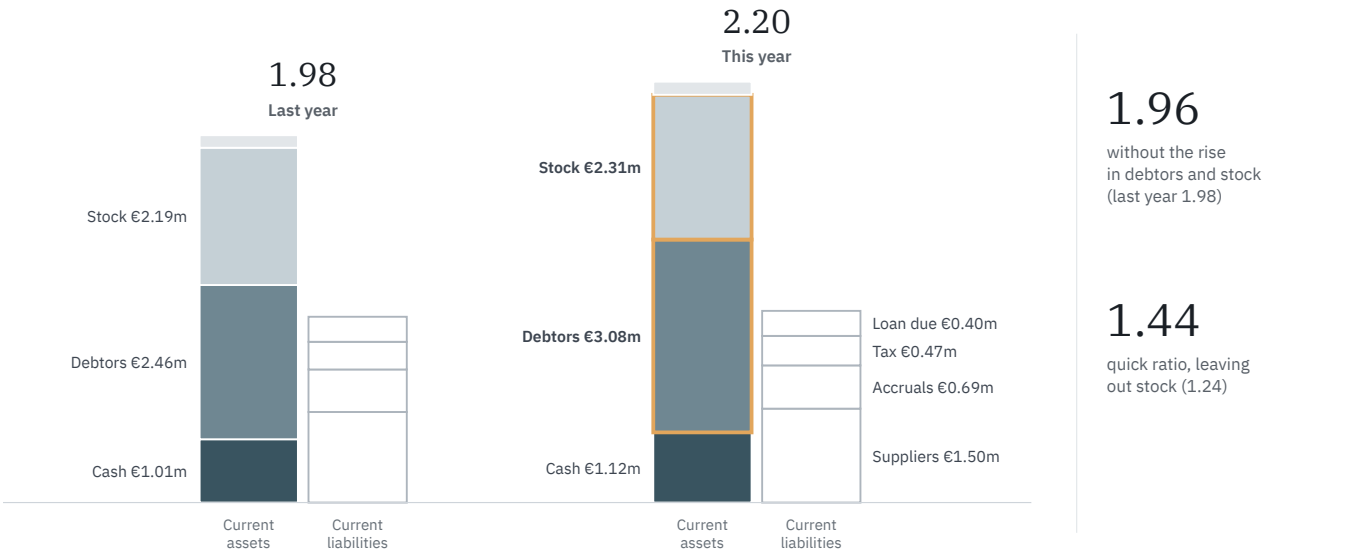
# The current ratio improved to 2.20, *for exactly the wrong reason.*

**2.20**

current ratio at 31 October, up from 1.98.

The current ratio is **what turns into cash within a year, against what falls due within a year.** Lenders and credit insurers ask for it; read it with the parts that moved.

**Company A: current assets and current liabilities at 31 October, millions of euro**




**1.96**

without the rise in debtors and stock (last year 1.98)

**1.44**

quick ratio, leaving out stock (1.24)

**1.96**

● without the rise in debtors and stock: below last year.

**€734k**

● of the rise in current assets is debtors and stock; cash rose €110k.

**How to measure it**

Current assets ÷ current liabilities; the quick ratio leaves out stock

**From** the balance sheet at the month end. **Report** quarterly, or when a lender asks.

## A ratio that rises because customers pay later is not an improvement.

**The level usually comes from a lender or a credit insurer;** otherwise, set a floor from your own history.

**Decide**

**Nothing on this measure. The action is on debtors (page 12).**

Illustrative figures; Company A is not a real company.

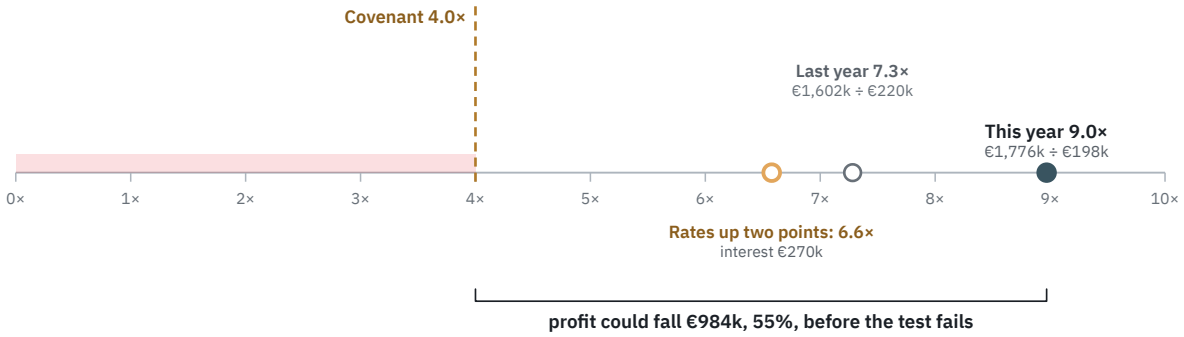
# Profit covers interest nine times over, so *this one belongs on the quarterly page.*

**9.0×**

interest cover: operating profit of €1,776k over interest of €198k.

Interest cover is **how many times profit covers the interest on borrowing.** It says how far profit can fall before the lender's test fails.

**Company A: interest cover this year and last, against the covenant**







## €984k

● of operating profit, 55%, could go before the 4.0 covenant fails.

## 6.6×

● if rates rose two points on average borrowing of €3.6m.

**How to measure it**

Operating profit ÷ interest payable, last twelve months, or EBITDA if the facility says so

**From** the profit and loss account; the facility letter. **Report** quarterly, on the test dates.

A measure far inside its test still earns its place in the pack, just not every month.

**Set the covenant from the facility letter, and a warning line above it,** such as 5.0 times, so there is time to act.

**Decide**

**Nothing this month. Report it quarterly, with the rates test.**

Illustrative figures; Company A is not a real company.

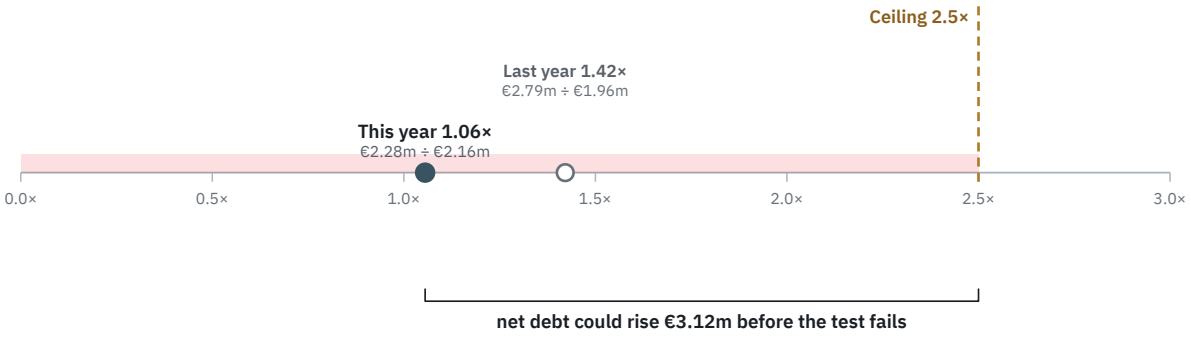
# Net debt is 1.06 times EBITDA, which leaves *€3.12m of room to borrow.*

**1.06×**

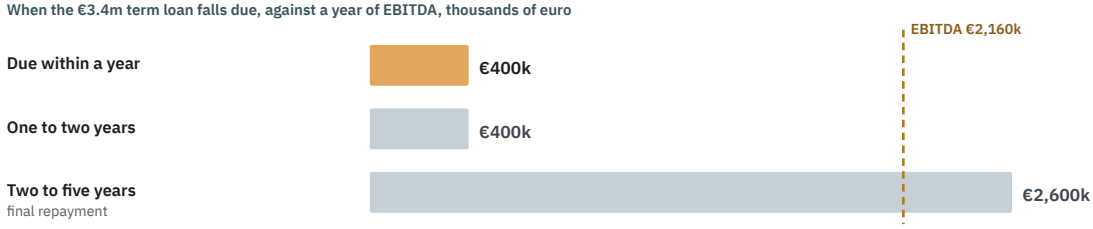
net debt to EBITDA, down from 1.42 a year ago.

Net debt to EBITDA is **how many years of earnings it would take to clear borrowing after cash.** Lenders use it to size a facility and to test it.

**Company A: net debt to EBITDA this year and last, against the lender's ceiling**




**When the €3.4m term loan falls due, against a year of EBITDA, thousands of euro**




## €3.12m

more net debt before the lender's 2.5 ceiling, or room for a 58% fall in EBITDA.

## €0.40m

of the loan due within a year, against €1.48m of cash from operations.

**How to measure it**

(Borrowing – cash) ÷ EBITDA, last twelve months

**From** borrowing and cash at the month end.
**Report** quarterly.

## Headroom is the number to bring when the board next talks about borrowing.

**Set the lender's ceiling, and a lower level the board chooses for itself;** test the figure as it would be after any new loan.

**Decide**

**Nothing this month. Use the headroom when the board next considers borrowing for equipment.**

Illustrative figures; Company A is not a real company.

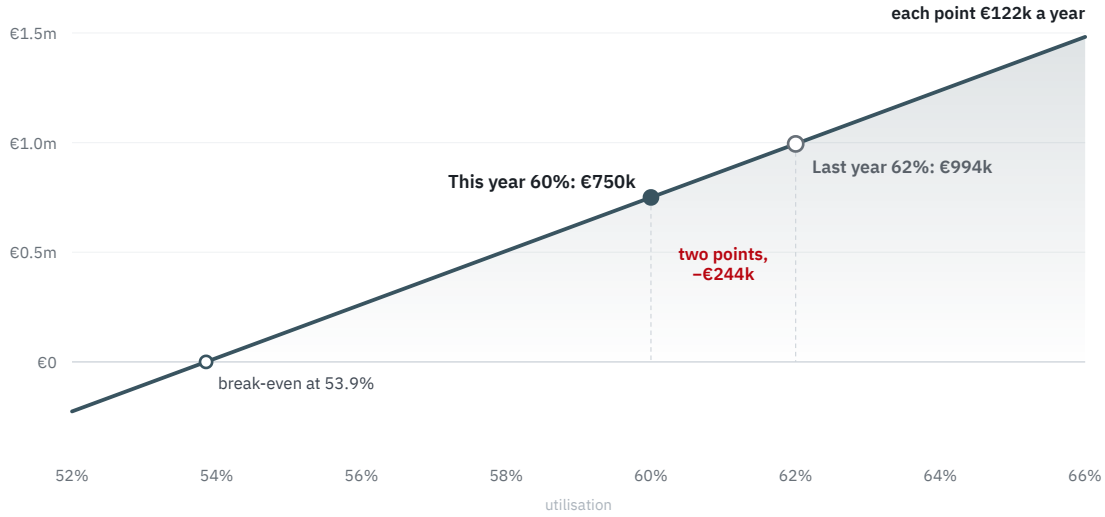
# Two points of utilisation cost Firm B *a quarter of its profit.*

**€244k**

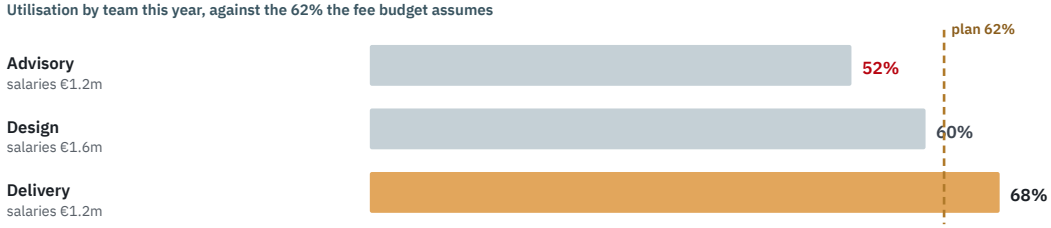
of profit lost as utilisation fell from 62% to 60%.

Utilisation is **the share of the time a firm pays for that is spent on chargeable work.** As a percentage, it hides what it is worth.

**Firm B: profit at each level of utilisation, with salaries of €4.0m and a net multiplier of 3.05**




**Utilisation by team this year, against the 62% the fee budget assumes**




## €122k

● of profit in each point: salaries of €4.0m × 1% × a net multiplier of 3.05.

## 53.9%

● the utilisation at which Firm B stops making money.

**How to measure it**

Chargeable salary cost ÷ total salary cost; one point = salaries × 1% × net multiplier

**From** timesheets or payroll. **Report** monthly, by team.

## The firm-wide 60% hides Advisory at 52% and Delivery at 68%: one team idle, another stretched.

**Set the utilisation the fee budget assumes, by team,** and watch time written off later: it counts as utilisation and earns nothing.

**Decide**

**Hold the two open vacancies until utilisation is back at 62%.**

Illustrative figures; Firm B, a professional services firm, is not a real company.

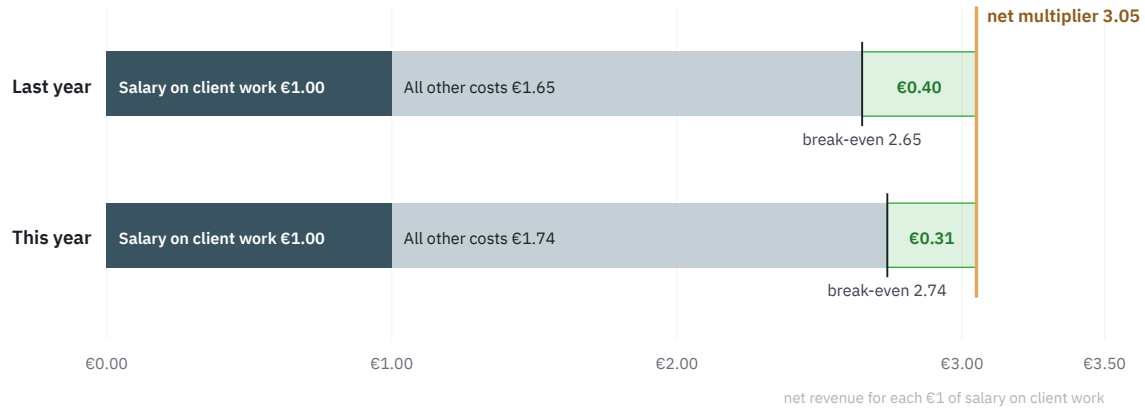
# Firm B still earns €3.05 on every euro of salary, but *break-even has crept up to 2.74.*

10.2%

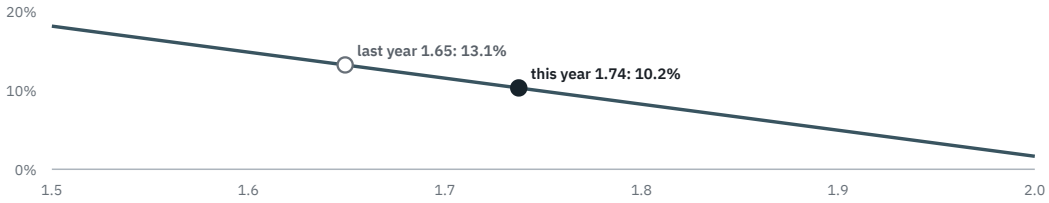
operating margin, down from 13.1%, with the multiplier unchanged.

The net multiplier is **net revenue divided by the salary cost of chargeable time.** Fee levels, discounts and write-offs all show in it.

**Firm B: net revenue for each euro of salary on client work, last year and this year**




**Operating margin at each overhead rate, with the multiplier at 3.05**




3.05

net revenue for each euro of salary on client work, the same as last year.

+0.09

on the break-even multiplier, from 2.65 to 2.74, as fewer chargeable hours carried the same costs.

**How to measure it**

Net revenue ÷ direct labour; break-even = 1 + all other costs ÷ direct labour

**From** net revenue, payroll and timesheets. **Report** monthly.

## The multiplier did not move. The cost of the hours that went unbilled did.

**Set a floor for the multiplier from your fee rates, and a ceiling for the overhead rate** from the budget: each 0.1 on it costs about 3.3 points of margin.

**Decide**

**Approve no new overhead until the overhead rate is back below 1.70.**

Illustrative figures; Firm B, a professional services firm, is not a real company.

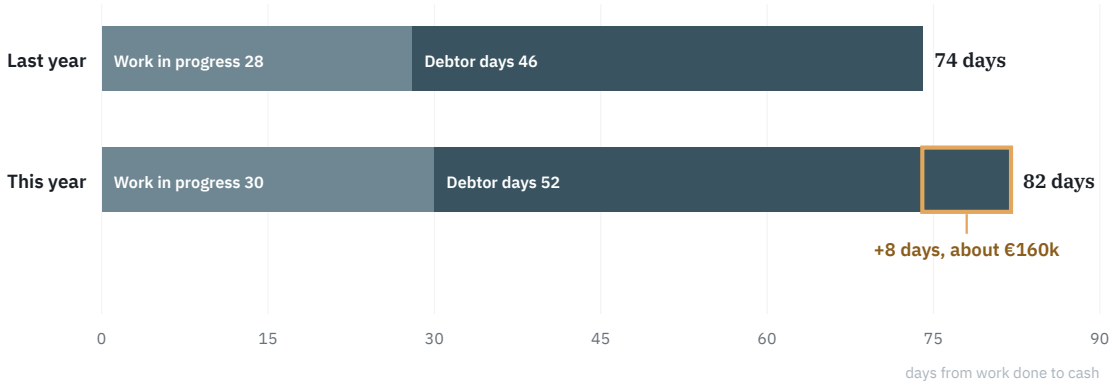
# Work now takes 82 days to become cash, and *eight more days hold €160k.*

## 82 days

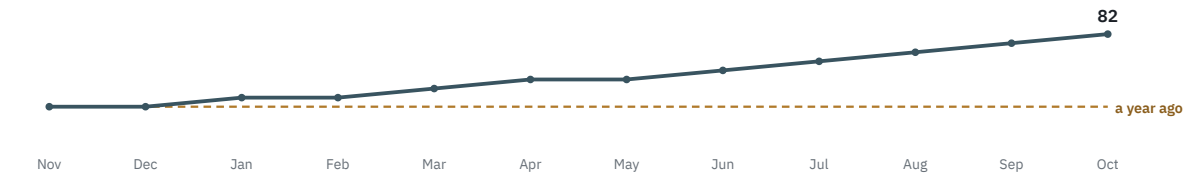
lock-up: 30 days of work in progress plus 52 of debtors, up from 74.

Lock-up is **days of work in progress plus debtor days:** how long it takes to turn work into cash.

**Firm B: days from work done to cash received, last year and this year**




**Lock-up at each month end, days**




## €20.1k

of net revenue in each day of lock-up.

## +6 days

on debtor days, from 46 to 52: most of the rise.

**How to measure it**

Work in progress days + debtor days; WIP days = unbilled work ÷ net revenue × 365

**From** the project ledger and aged debtors. **Report** monthly.

## Lock-up is set before the invoice is raised.

**Set the target from billing and payment terms:** a firm that bills monthly in arrears on 30-day terms starts from about 45 days.

**Decide**

**Bill every project monthly from January, and bring the five largest unbilled balances to the next meeting.**

Illustrative figures; Firm B, a professional services firm, is not a real company.

# Eight measures for five kinds of business, and *three more if you borrow.*

5

kinds of business, from manufacturers to firms that sell time. Start with the nearest column.

A starting point, not a rule. **Every column keeps revenue and operating profit against budget, customer concentration and cash headroom;** the rest depends on how the business makes its money.

| | **Making products** manufacturing, food, engineering | **Buying and selling** distribution, wholesale, retail | **Selling time** accountants, engineers, agencies | **Recurring contracts** software, managed services | **Projects** construction, fit-out, installation |
|---|---|---|---|---|---|
| **Are we on plan?** | | | | | |
| Revenue against budget and last year 4 | ● | ● | ● | ● | ● |
| Operating profit against budget 5 | ● | ● | ● | ● | ● |
| **How safe is the revenue?** | | | | | |
| Gross revenue retention 6 | ● | | ● | ● | |
| Customer concentration 7 | ● | ● | ● | ● | ● |
| **Do we make money on what we sell?** | | | | | |
| Gross margin 8 | ● | ● | | ● | ● |
| Sales mix 9 | | ● | | | |
| Contribution by line 10 | | | | ● | ● |
| **Will the cash be there?** | | | | | |
| Cash conversion 11 | ● | ● | | | ● |
| Debtor days 12 | ● | ● | | ● | ● |
| Cash headroom 13 | ● | ● | ● | ● | ● |
| **Can we carry what we owe?** | | | | | |
| Current ratio 14 | ○ | ○ | ○ | ○ | ○ |
| Interest cover 15 | ○ | ○ | ○ | ○ | ○ |
| Net debt to EBITDA 16 | ○ | ○ | ○ | ○ | ○ |
| **If you sell time, are the hours paying?** | | | | | |
| Utilisation 17 | | | ● | | |
| Net multiplier 18 | | | ● | | |
| Lock-up 19 | | | ● | | |
| **Measures in the starter set** | **8** | **8** | **8** | **8** | **8** |

● **Company A's column**

Company A takes the first column; Firm B, the third. Dark dots mark the starter eight for the other kinds of business.

○ **Add if you borrow**

Interest cover and net debt to EBITDA each quarter, at the levels in your facility letter; the current ratio when a lender asks.

**From outside the ledger**

Most boards also want one measure about people, such as staff turnover, and one on safety where it applies.

# Swap two measures and the cash problem *walks onto the page.*

**4 of 8**

off target, three to watch and one on course. The old scorecard showed three off target and nothing on cash.

Company A's scorecard from the Board Pack Template, rebuilt with the six rules. **The two highlighted rows are the swaps**; every row carries the figure, its level, where it stands in words and which way it is heading.

| Measure | Now | Level | Where it stands | Direction |
|---|---|---|---|---|
| **Revenue, October** | €1.84m | €1.92m budget | 🔴 €78k short of budget | Below budget for four months |
| **Operating profit, October** | €162k | €212k budget | 🔴 €50k short of budget | Falling |
| **Gross margin, October** | 38.4% | 38.0% target | 🟢 0.4 points ahead | Level |
| **Revenue kept from last year's customers** | 94% | 95% target | 🟡 1 point short | Level |
| **Largest customer, share of revenue** | 18.6% | 20% limit | 🟡 1.4 points inside the limit | Rising |
| **Debtor days** | 52 | 45 target | 🔴 7 days over target | Rising every month since March |
| **Cash conversion, twelve months** | 68.5% | 85% target | 🔴 16.5 points short | Falling as debtors grow |
| **Cash headroom at the forecast low** | €845k | €750k floor | 🟡 €95k above, week to 18 December | €370k at month end |

## Cash at month end gave way to cash headroom

Month-end cash was €370k above the floor, which reads as safe. The forecast low point in December is €95k above it, and that is the figure the board needs while there is time to act (page 13).

## Overdue debt made room for cash conversion

Overdue debt moves to the debtors page as evidence. Conversion shows the whole effect: €680k of the year's earnings is held in working capital (page 11).

## Quarterly, not monthly

Interest cover at 9.0 times and net debt at 1.06 times EBITDA are far inside their tests (pages 15 and 16).

> **Decide**
>
> **Approve the credit hold from 1 December, move the two hires to January, and report headroom weekly until the end of January.**

stratavor

# This guide is the work done by hand.
## *Stratavor does it from your ledger.*

Stratavor is a strategic intelligence platform for the people who run businesses. It computes the measures in this guide every month, sets each against the level your board chooses, and writes what changed, why it matters and what to decide.

### It reads your systems

Read-only connections to Xero, QuickBooks Online, Sage, NetSuite, Deltek Vantagepoint and HubSpot. Nothing is typed in.

### It finds what moved, and why

Every figure is computed in code from the ledger and traced to the customer, line or account behind it.

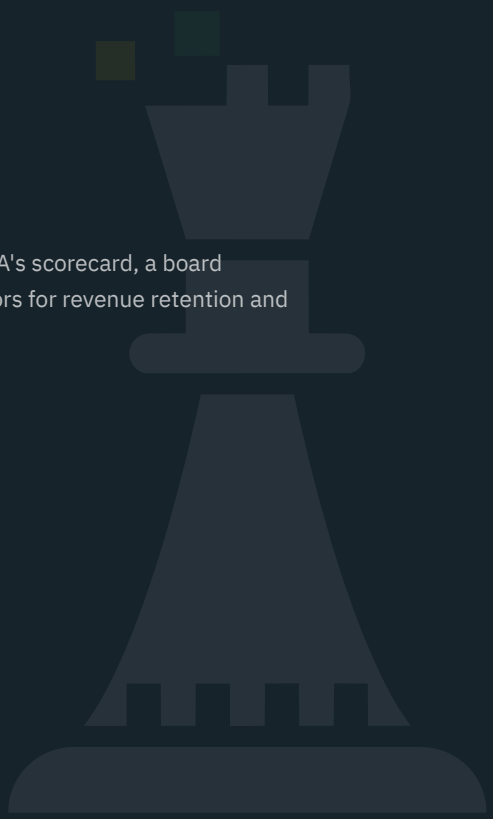
### It writes the page

Each report opens with the answer and ends with what to decide, against the levels your board has set.

**Start free trial**

7-day free trial. No credit card required.

More free tools at stratavor.com/tools: the Board Pack Template behind Company A's scorecard, a board commentary template, a risk register, a 13-week cash flow template, and calculators for revenue retention and customer concentration.



Illustrative figures. Company A and Firm B are not real companies. This guide is general information, not financial advice.

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