The thirteen-week cash forecast

When a company’s liquidity is tight, an annual cash flow statement answers a question nobody is asking. The question is “how much time do we have” — and the answer to that is given in weeks.

Why thirteen

Thirteen weeks is a quarter written out week by week: a horizon long enough to cover a full settlement cycle with customers and suppliers, and short enough that receipts can be tied to specific invoices rather than to a sales forecast. Beyond that horizon the model does not reach, and does not pretend to.

A queue of payables, not a total

Payables are not one amount but a queue: every item has a due date, a creditor and a consequence for being late. I settle them in order of maturity and show, rather than a forecast balance, the amount at risk of deferral — the part of the queue that has no cover in a given week and must either wait or be refinanced.

A safety threshold instead of zero

Counting weeks “to an empty account” gives an optimistic and useless answer: a company stops functioning well before that, because it needs a buffer for payroll and public levies. So I count weeks to a safety threshold agreed with the board, not to the exhaustion of the balance.

WHAT I CHECK FIRST

01 Actual payment dates rather than contractual ones — they can differ by weeks

02 Payroll and public levies treated as items that cannot be deferred

03 Receipts tied to invoices, not to a sales forecast

04 What each available decision buys: how many weeks, and at what cost

A panel refreshed weekly is worth more than a one-off analysis, because in this situation what changes is not so much the picture as its speed. The board and the accounting team then have the same number in front of them.

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