



**Entrepreneur  
& Family**  
BUSINESS COUNCIL

# From Numbers to Know-How: Financial Skills Every Business Owner Needs

Presented by Amy Langfelder, Principal at Cray Kaiser



CK | CPAs & BUSINESS ADVISORS



**AMY LANGFELDER**  
**CRAY KAISER, Principal**

[alangfelder@craykaiser.com](mailto:alangfelder@craykaiser.com)

## Presenter Intro

Amy Langfelder joined Cray Kaiser in 1995, after working for a year in the industry at an IBM joint venture. In 2017, Amy became a CK Principal. In addition to her work as an assurance principal, she builds client relationships while leading and developing our client accounting advisory services (CAAS).

As she sees it, most certified public accounting practitioners can sufficiently manage matters of compliance. But the real power of the accounting discipline lies in expanding clients' financial literacy so that they may more effectively lead their businesses.

Memberships: Vistage, ProVisors, CAAS Accelerator, Big I  
and formerly served on various boards and finance committees

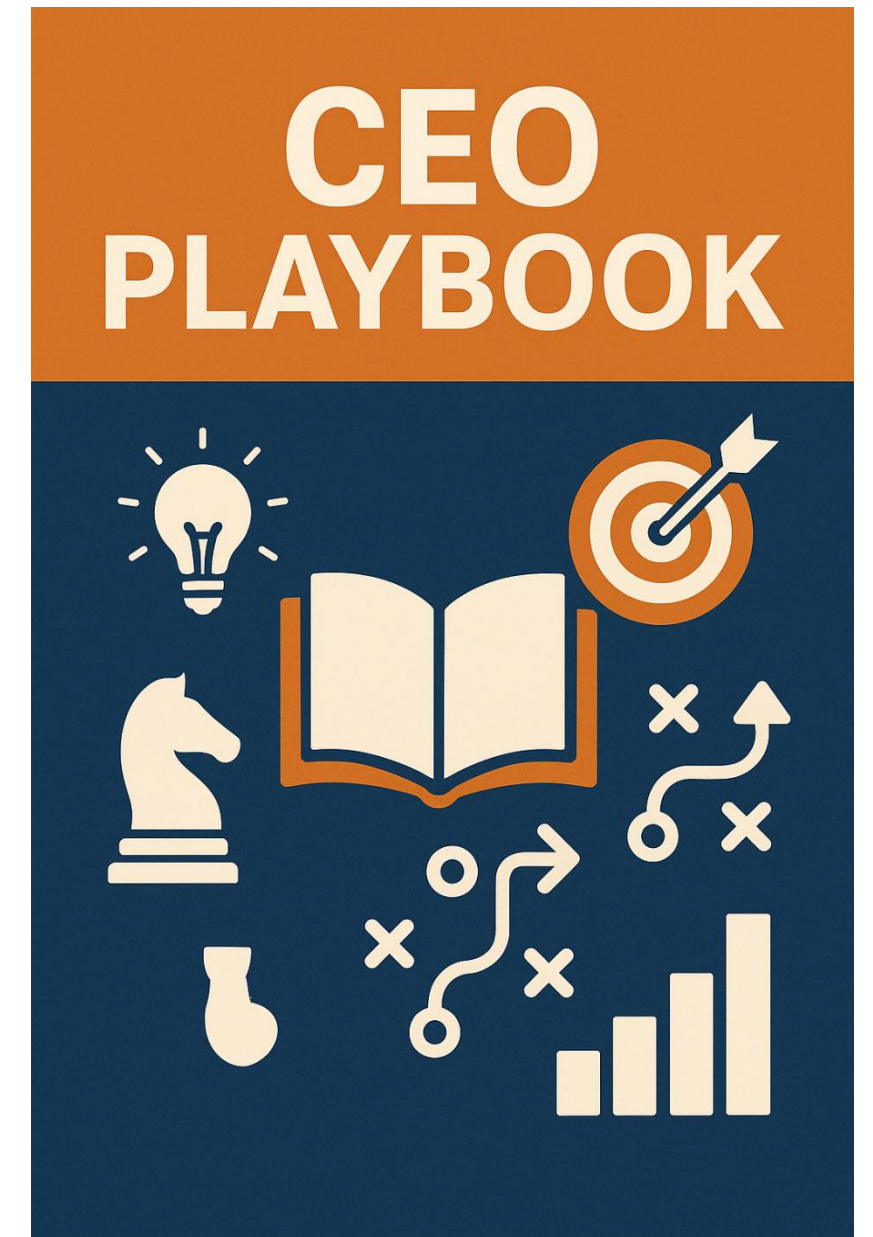


# Designing Your Business Playbook in Numbers



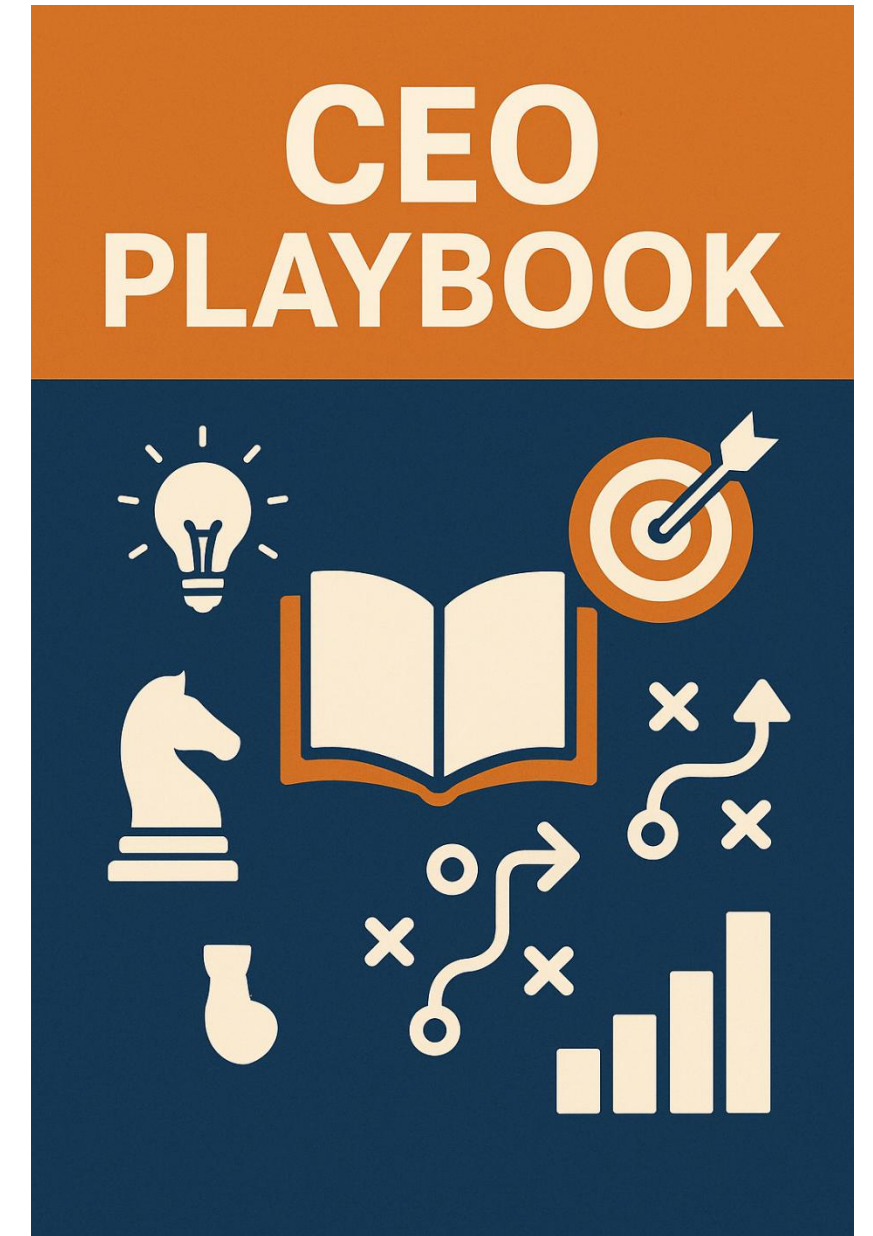
# Balance Sheet

- Snapshot of business health at a point in time
- **Assets:** What you own, liquidity
- **Liabilities:** What you owe
- **Equity:** Net worth of the business
- **Key Question:** Is my business healthy today?



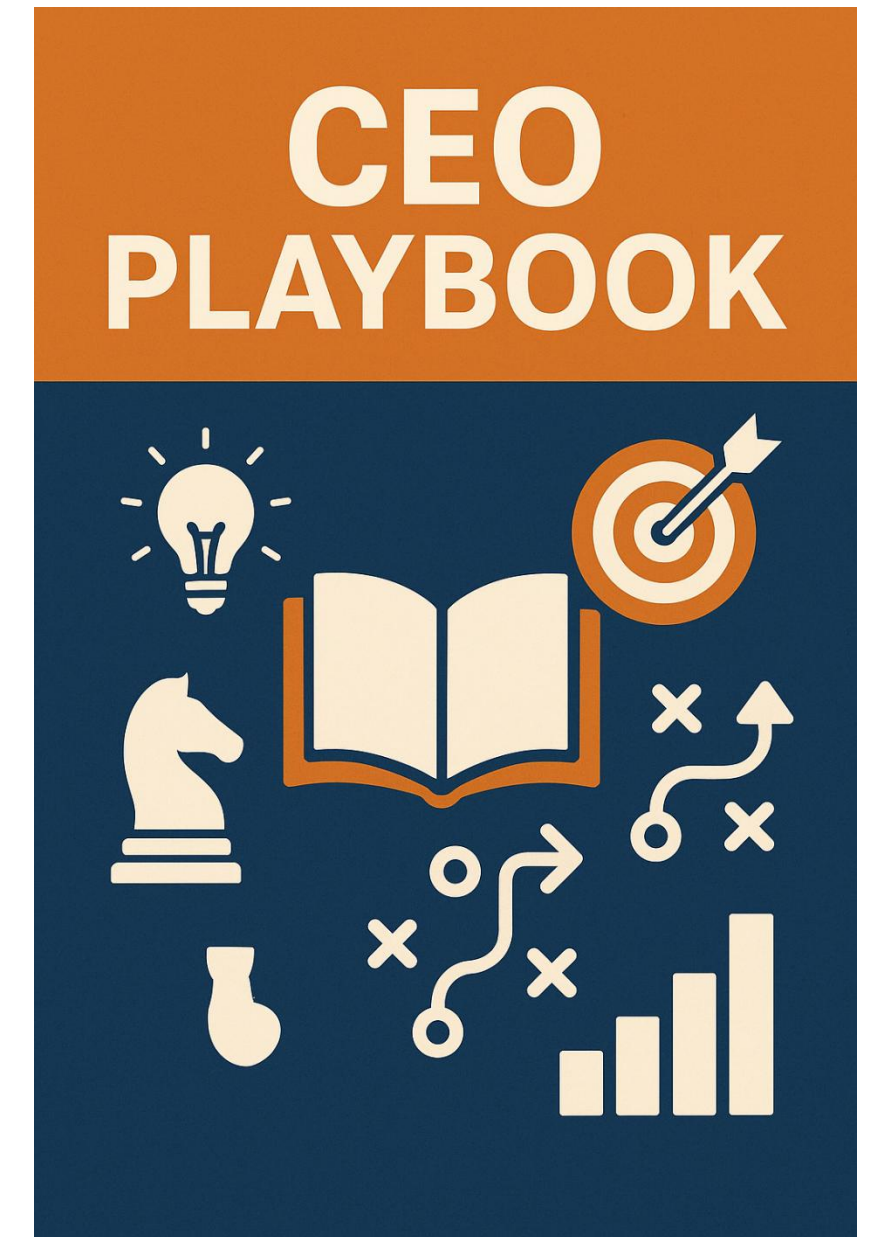
# Income Statement (P&L)

- Performance over a period of time
- Revenues - Expenses = Profit or Loss
- **Focus:** Gross Margin (Revenue - COGS)
- Net Income = Gross Margin - Operating Costs
- Use comparative data for better analysis
- **Key Question:** Is my business making money?



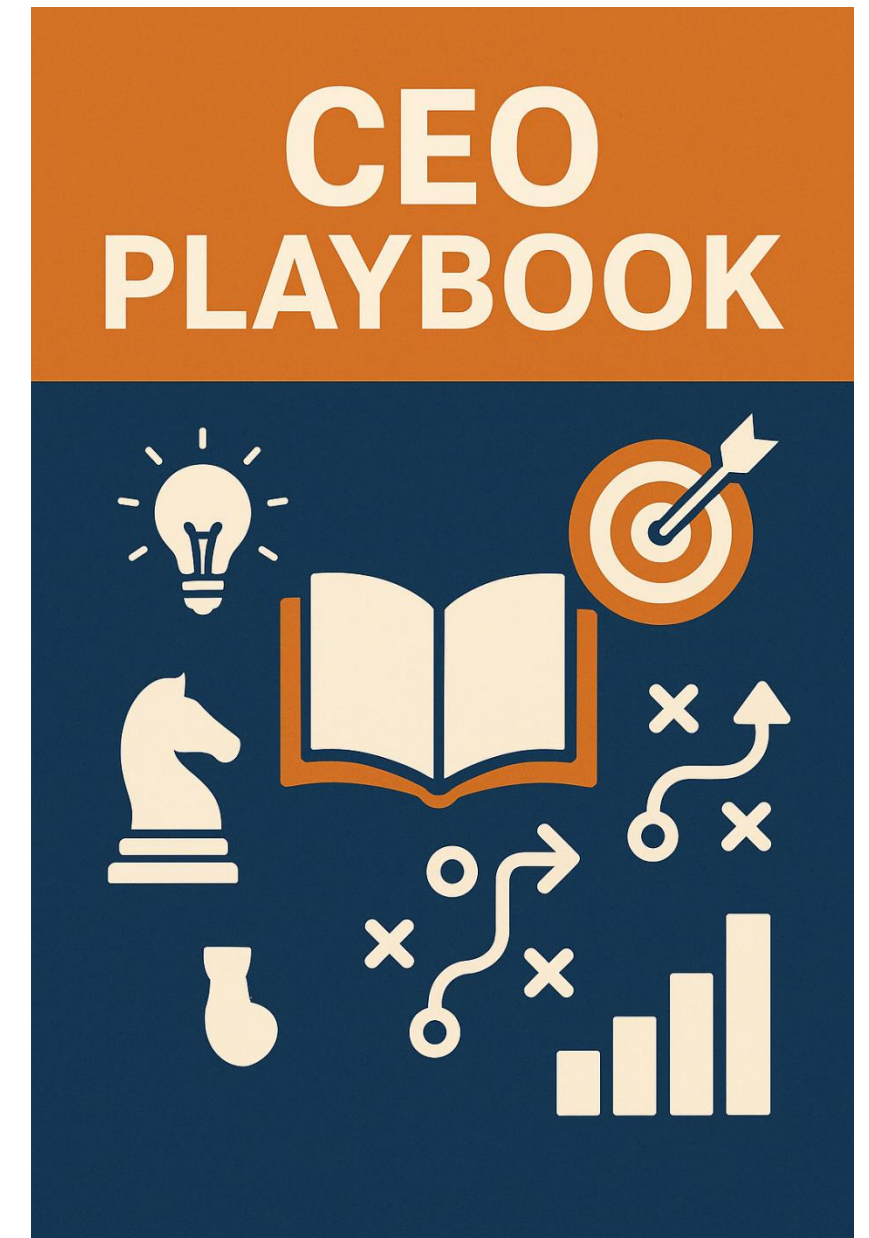
# Cash Flow

- Tracks how money is used over a period
- **Operating:** Day-to-day activity
- **Investing:** Equipment, assets
- **Financing:** Loans, equity
- **Key Question:** Where did my money go?



# Identifying Errors

- Negative Assets with Credit Balance
- Negative Liabilities with Debit Balance
- Cash balances inconsistent with bank
- Unreasonable increase in assets over time
- Unreasonable decrease in liabilities over time
- Accounts payable shows zero

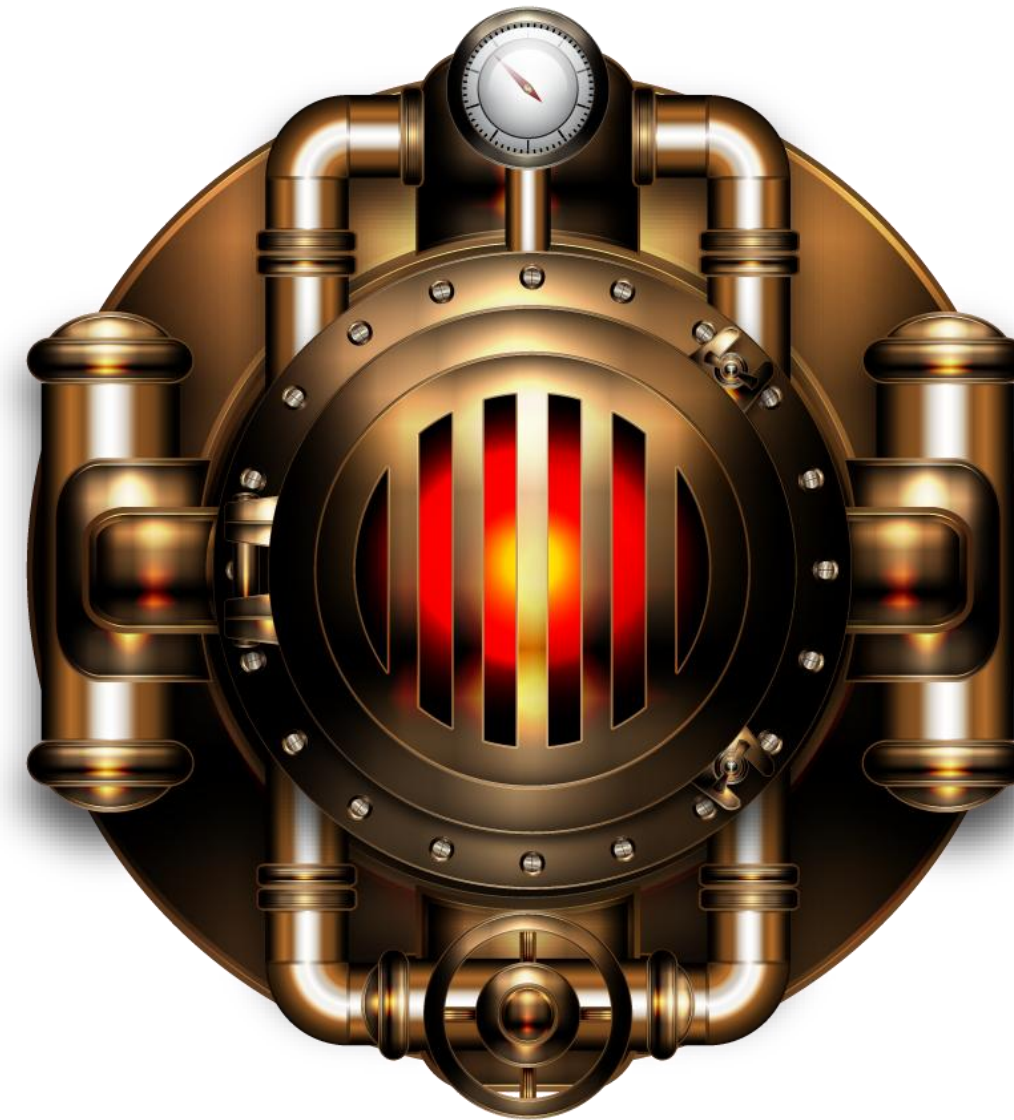


# Measuring What Matters

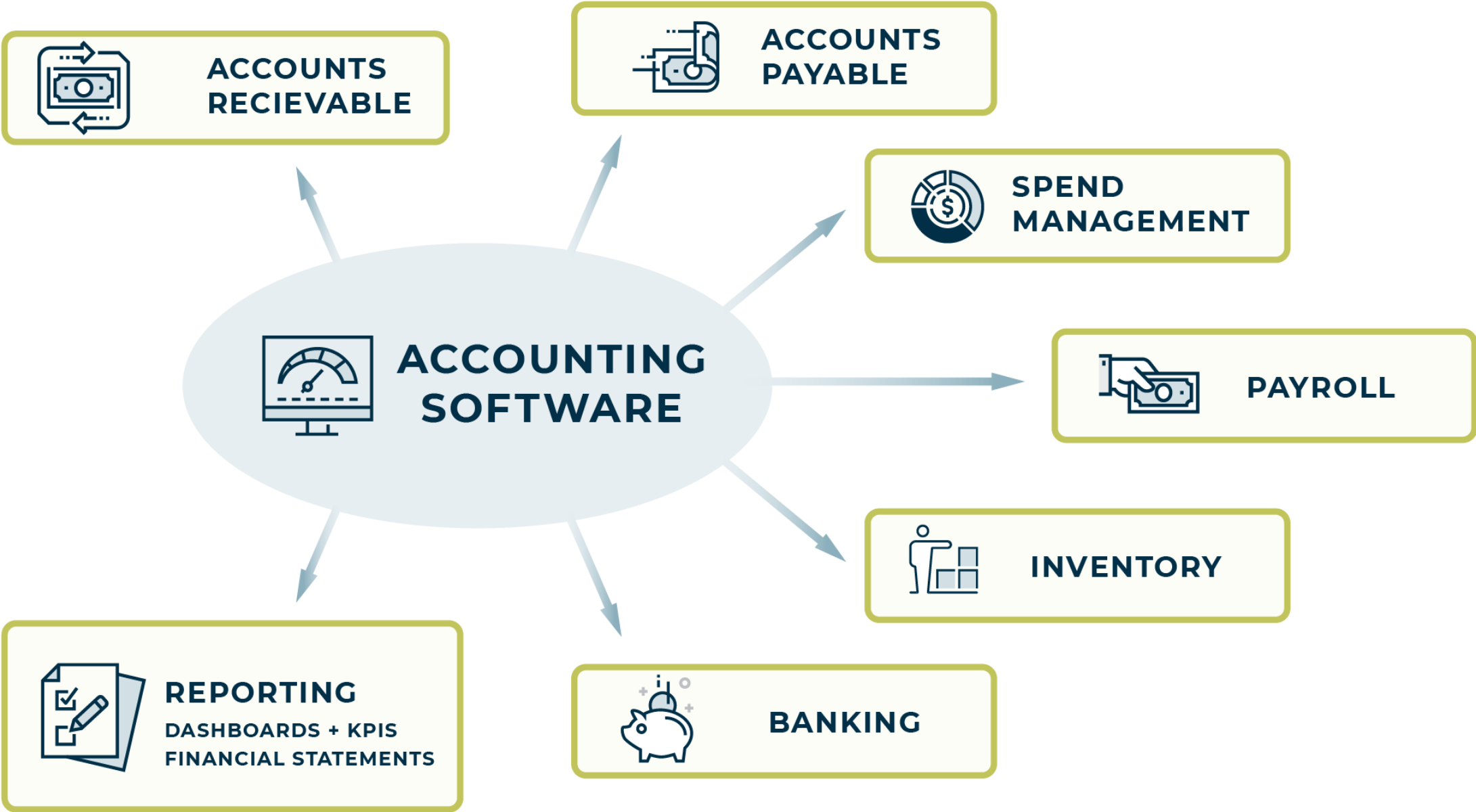
- KPIs: Is my business on track?
- Quick dashboard: 3-5 unique metrics
- Easy to calculate and track over time
- Examples:
  - Gross Margin %, Units Produced, Sales per Employee
  - Raw Material %, Inventory Turnover
  - Receivable Turnover, AR Aging %, Labor Cost %, Collections \$

# Your Financial Engine Room

- Accounting software is the hub
- General ledger integrates all transactions
- Automation:
  - Accounts Payable
  - Payroll
  - Spend Management
  - Inventory
  - Banking
  - Accounts Receivable
- Reporting:
  - Dashboards and KPIs
  - Financial statements

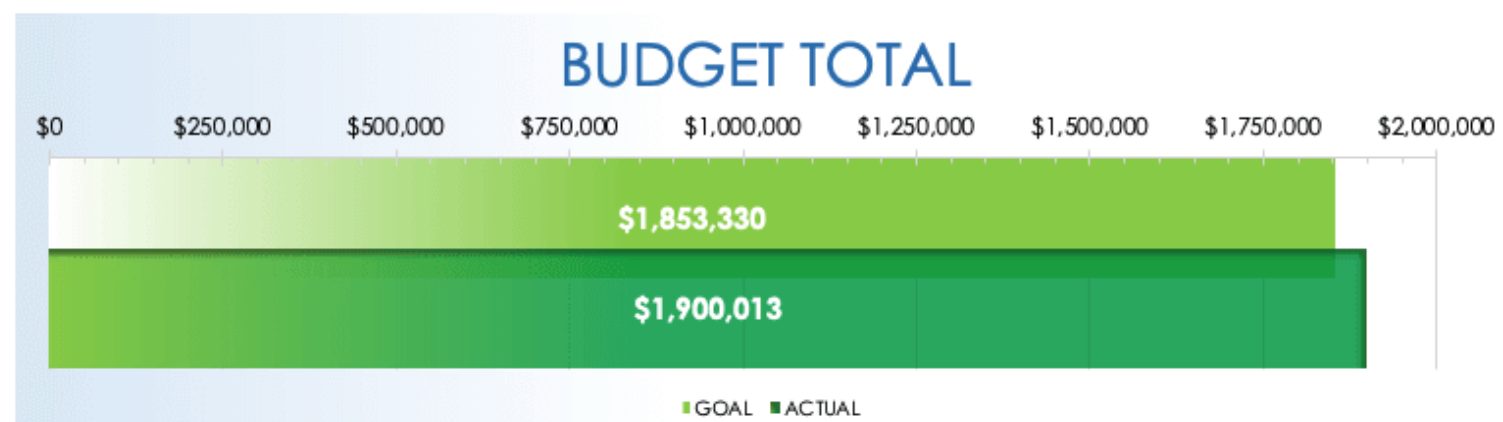
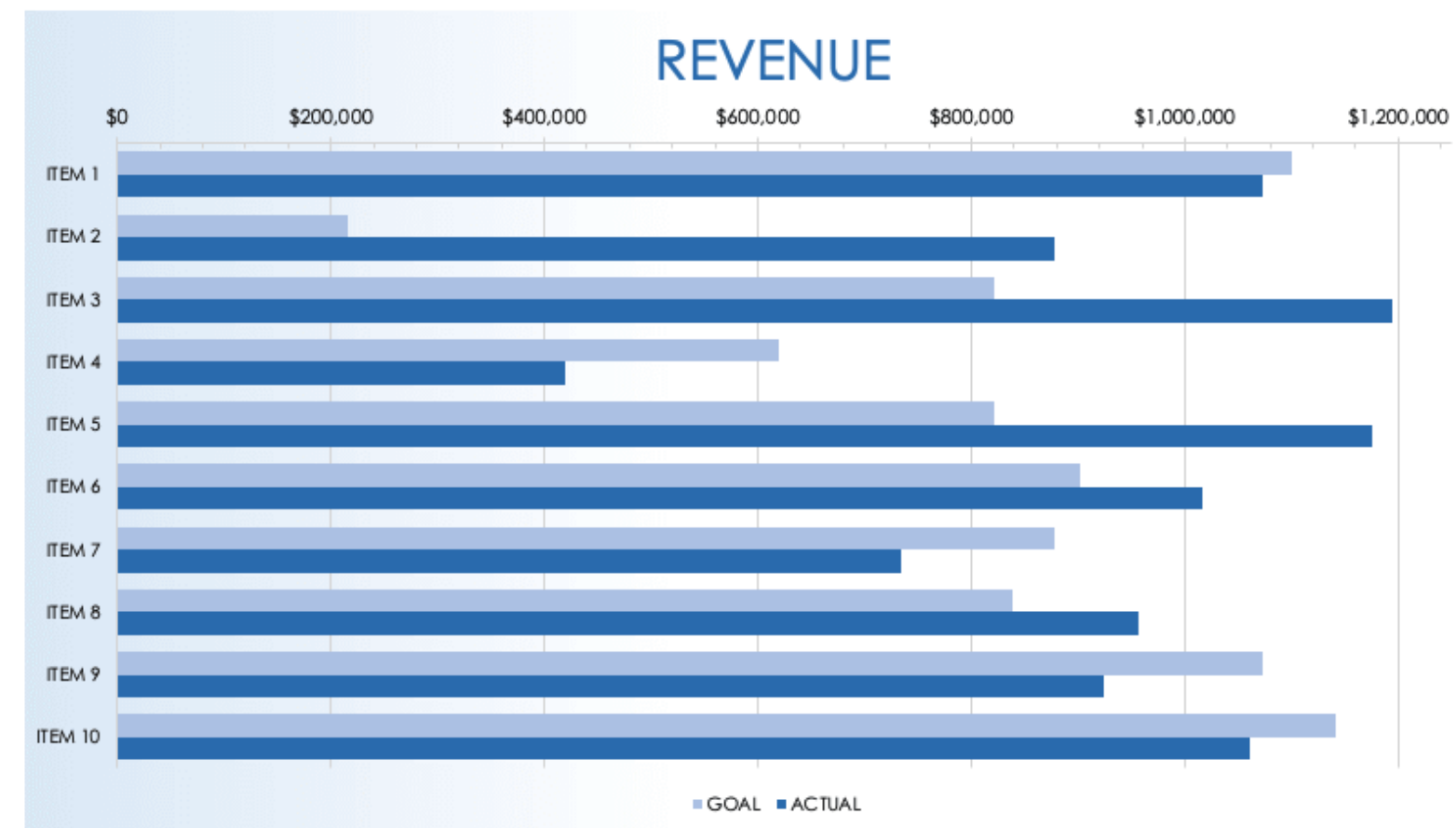
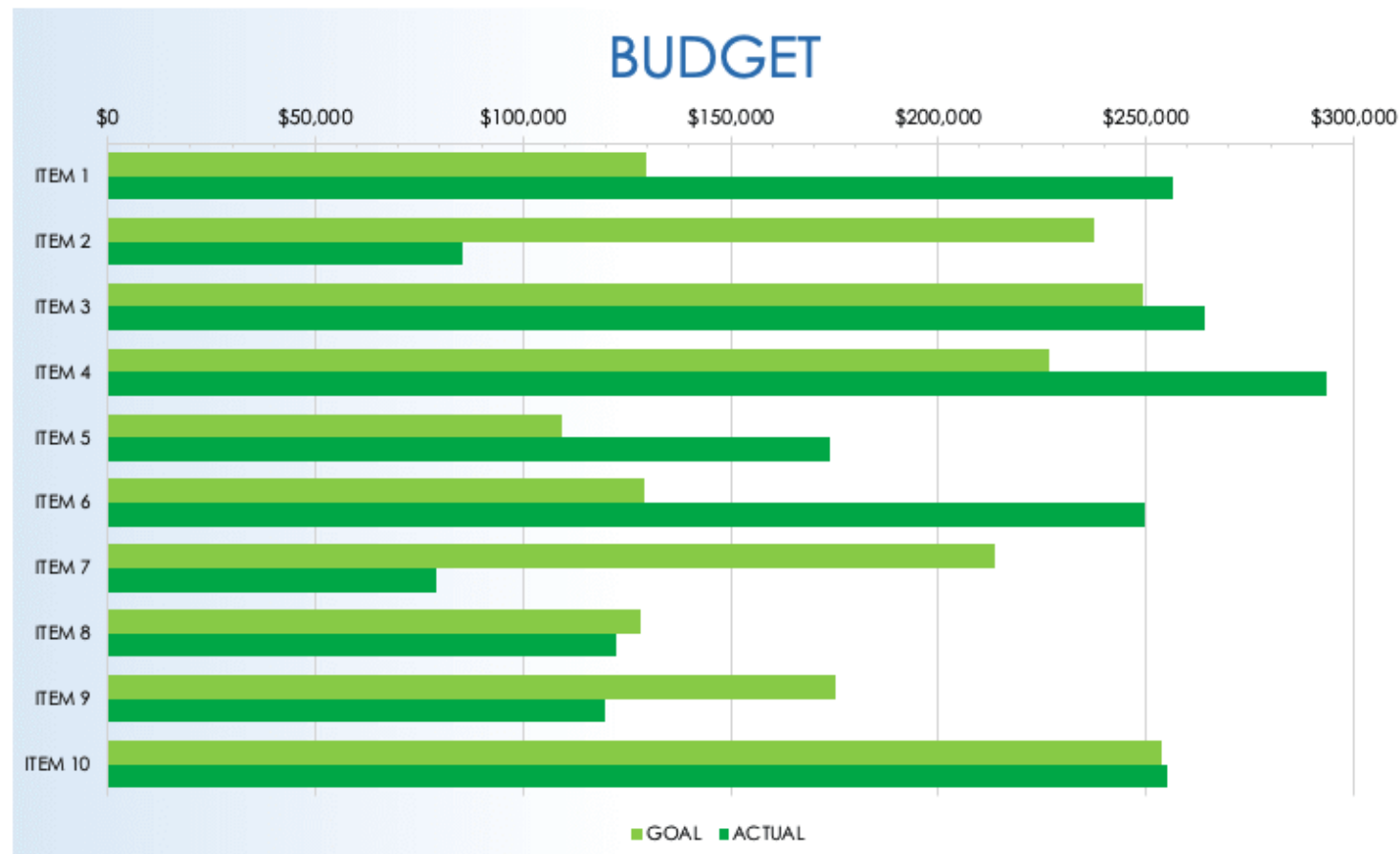


# Accounting Software as the Hub of Financial Management

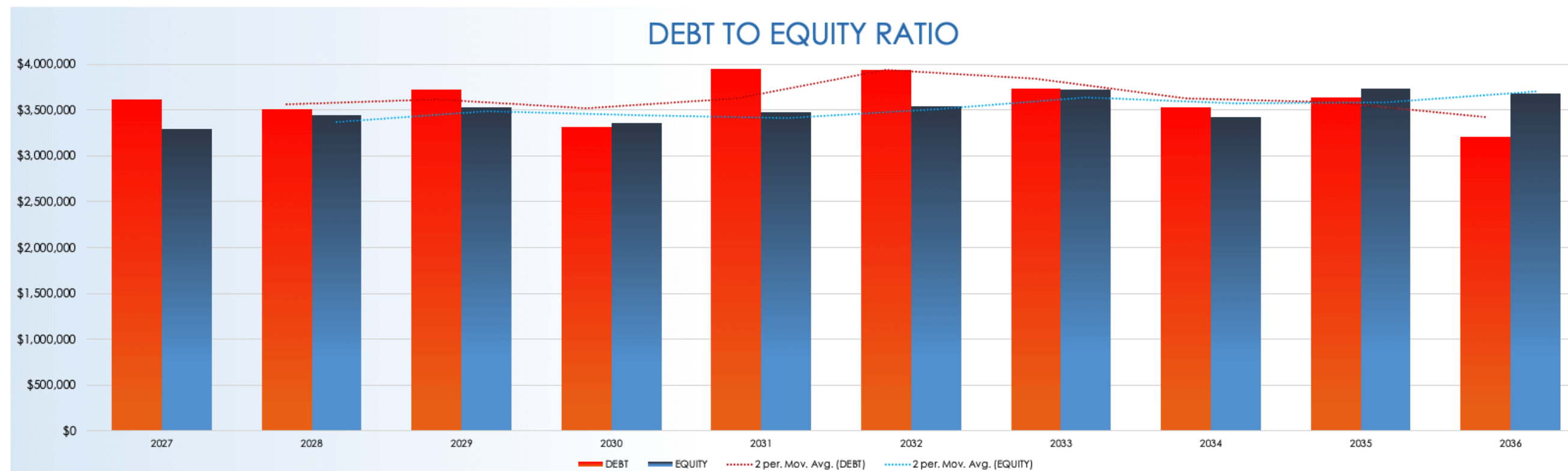
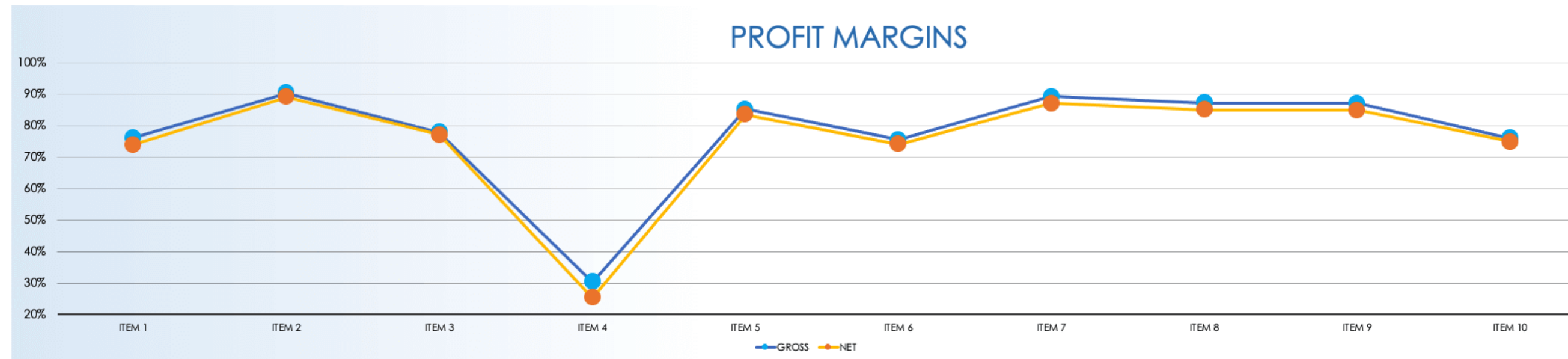


# What should your KPIs Look like?

## SIMPLE KPI DASHBOARD TEMPLATE EXAMPLE

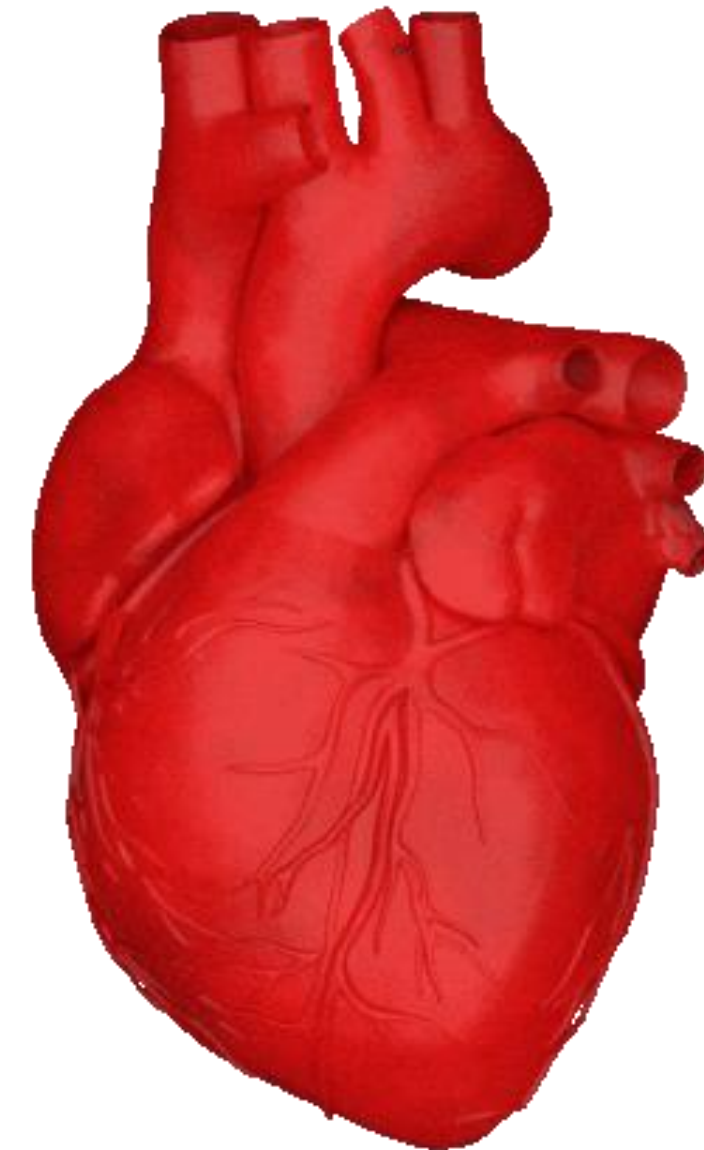


# What should your KPIs Look like?



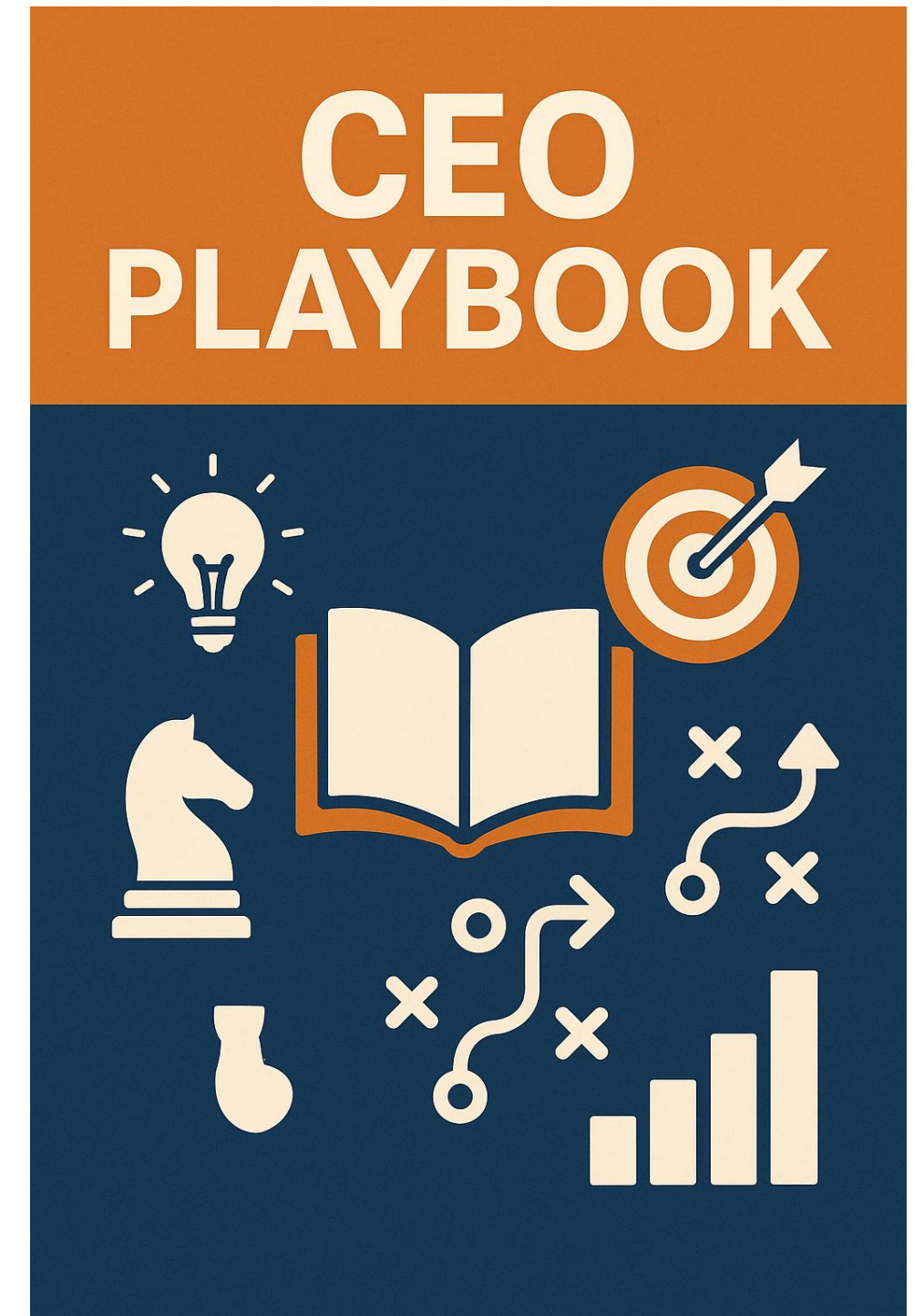
# Cash - The Lifeblood of Your Business

- Plan for short- and long-term
- Identify financing needs
- Manage business cycle ups and downs
- Minimize surprises and emergencies
- Strategically plan growth and resources
- Tools:
  - Accounting software
  - Excel
  - Apps



# Writing Your Winning Playbook

- Understand your financial statements
- Track and benchmark meaningful KPIs
- Build systems to simplify operations
- Forecast cash flow to avoid surprises



# Presenter Contact Info



**AMY LANGFELDER**  
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[alangfelder@craykaiser.com](mailto:alangfelder@craykaiser.com)

