

Contents

Why this book?	6
1 Liquidity	8
1.1 Liquidity from a Balance Sheet Point of View	11
1.2 Liquidity from a Profit and Loss Point of View	16
1.3 Liquidity from a Cash Flow Point of View	18
1.4 Liquidity Planning - Planning and Safeguarding Oxygen	25
1.5 Summary	29
2 Operating Cash Flow	30
2.1 Increasing Revenues	31
2.2 Margin Improvement	33
2.3 Reducing Fixed Costs	35
2.4 Capital Expenditure Optimisation and Management of Net Working Capital	36
2.5 Summary	37
3 Investments	38
3.1 Strategic Direction	38
3.2 Methods	39
3.3 Summary	47
4 Financing	49
4.1 Borrowed Capital	49
4.2 Equity	54
4.3 Financial Backers: Heaven and Hell	55
4.4 Summary	56
5 Ratios and Credit Ratings	57
5.1 Key Structural Ratios	57
5.2 Return Ratios	61
5.3 Liquidity Ratios	65
5.4 Summary	67
6 Business Plan	68
6.1 Classification	68
6.2 Main Groups Addressed and their Expectations	68
6.3 Elements of a Business Plan	71
6.3.1 Management or Executive Summary	72
6.3.2 Management	73
6.3.3 Quantification - Data Graveyard	73
6.3.4 Other Standard Elements	77
6.4 Summary	81
7 Buying and Selling a Company	82
7.1 Market	82
7.2 Phases	82
7.2.1 Preparation Phase	82
7.2.2 Transaction Phase	88
7.2.2.1 Value Appraisal	88
7.2.2.2 Due Diligence (DD)	99
7.2.2.3 Negotiation Tactics	101
7.3 Integration Phase	103
Epilogue	111
Glossary	112
Index	117