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Input your actual values

Year End	2021	2022
# Orders / Units Sold	50,000	55,329
AOV / Average Price	\$71.29	\$72.00
Revenue	\$3,564,342	\$3,983,713
COGS	\$2,275,110	\$2,247,579
COGS %	63.83%	56.42%
Gross Margin	\$1,289,232	\$1,736,134
Overheads (excluding depreciation, amortization, taxes, interest)	\$1,321,656	\$1,442,788
EBITDA	-\$32,424	\$293,346
Inventory Balance	\$523,000	\$516,000
Accounts Receivable Balance	\$221,702	\$249,658
Accounts Payable	\$142,914	\$268,720
Operating Cash Flow		\$398,196



Stats

		Apparel Retail	Difference
Inventory Holding Period (in days)	84	107	23
AR Collections Period (in days)	22	11	-11
AP Payment Period (in days)	-33	-42	-9
Cash Conversion Cycle (in days)	73	76	3
EBITDA Margin	\$0.07		
Working Capital Margin	\$0.12		

What does it all mean?

On average, it takes you 73 days to convert your inventory into cash. This is -3 days worse than others in your industry.

Your cash gap is \$0 which means that every additional dollar of revenue needs to be matched with \$0 of financing.

How much will you improve?

I will increase prices by	1.00%	<i>scheduled for next month</i>
I will increase the number of orders by	1.00%	<i>give goal to marketing agency</i>
I will reduce my COGS by	1.00%	<i>to discuss price reduction with supplier</i>
I will reduce overhead by	2.00%	<i>ops manager to report back with ideas</i>
I will reduce my AR collections period by	2.0	days
I will reduce my inventory holding period by	1.0	days
I will increase my payables period by	5.0	days

Based on these improvements...

Your EBITDA for 2022 would have been \$104k better.

Your operating cash flow for 2022 would have been \$212k better.

Detailed breakdown

	2022 (Actual)	2022 (Improved)	Change
# Orders / Units Sold	55,329	55,883	553
AOV / Average Price	\$72.00	\$72.72	\$0.72
Revenue	\$3,983,713	\$4,063,786	\$80,073
COGS	\$2,247,579	\$2,252,117	\$4,538
COGS %	56.42%	55.42%	-1.00%
Gross Margin	\$1,736,134	\$1,811,668	\$75,534
Overheads (excluding depreciation, amortization, interest & taxes)	\$1,442,788	\$1,413,932	-\$28,856
EBITDA	\$293,346	\$397,736	\$104,390
Inventory Balance	\$516,000	\$505,758	-\$10,242
Accounts Receivable Balance	\$249,658	\$214,598	-\$35,060
Accounts Payable	\$268,720	\$331,253	\$62,533
Days Inventory O/S	84	83	-1
Days Sales O/S	22	20	-2
Days Payables O/S	-33	-38	-5
Cash Conversion Cycle	73	65	-8
Operating Cash Flow	\$398,196	\$610,422	\$212,226

	Targets	12/31/2021	1/31/2022	2/28/2022	3/31/2022	4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022	10/31/2022	11/30/2022	12/31/2022	1/31/2023	2/28/2023	3/31/2023	4/30/2023	5/31/2023	6/30/2023	7/31/2023	8/31/2023
# Orders / Units Sold	4,687	2,787	2,119	4,682	4,486	4,145	5,880	5,084	5,096	6,235	2,052	5,408	6,749	2,725	3,383	5,321	0	0	0	0	0	0
ACV / Average Price	72.72	71.29	71.29	71.29	71.29	71.29	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	73.00	73.00						
Revenue	\$338,649	\$198,863	\$151,048	\$333,814	\$318,868	\$295,472	\$419,138	\$366,595	\$367,702	\$448,914	\$147,761	\$395,384	\$485,304	\$198,173	\$245,518	\$388,448						
COGS		\$125,187	\$55,165	\$210,303	\$201,479	\$185,147	\$254,070	\$229,692	\$271,972	\$248,903	\$81,288	\$274,150	\$287,247	\$107,855	\$135,032	\$213,048						
COGS %	65.42%	63.00%	63.00%	63.00%	63.00%	63.00%	63.00%	63.00%	63.00%	63.00%	55.00%	55.00%	55.00%	55.00%	55.00%	55.00%						
Gross Margin		73.90%	55.88%	72.31%	71.29%	71.29%	71.29%	71.29%	71.29%	71.29%	71.29%	71.29%	71.29%	71.29%	71.29%	71.29%						
Overhead (including depreciation, amortization, interest & taxes)		\$52,765	\$52,765	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532	\$102,532						
EBITDA		\$20,765	\$37,552	\$21,480	\$10,064	\$1,871	\$32,045	\$9,406	\$45,045	\$72,204	-\$45,674	\$39,780	\$110,324	-\$68,757	-\$3,563	\$20,186	\$0	\$0	\$0	\$0	\$0	\$0
Inventories Balance		\$23,000	\$23,000	\$19,859	\$14,012	\$13,000	\$68,865	\$67,150	\$62,127	\$62,855	\$40,000	\$37,560	\$27,713	\$16,000	\$32,315	\$36,740						
Accounts Receivable Balance		221,702	190,280	301,308	210,333	251,104	283,649	328,053	403,251	344,595	317,271	289,002	379,414	249,659	320,557	342,682						
Accounts Payable		142,915	75,278	225,382	184,851	142,511	292,305	308,828	318,246	244,464	148,382	366,918	317,857	268,720	236,909	324,349						
Operating Cash Flow			-\$73,269	\$63,879	\$66,174	-\$180,228	\$153,309	-\$14,641	-\$13,811	\$66,350	-\$63,577	\$291,024	-\$19,302	-\$6,424	-\$122,587	-\$9,924	\$655,073	\$0	\$0	\$0	\$0	\$0
Days Inventory OS	83												80	80	79	87						
Days Sales OS	20												28	20	28	24						
Days Payables OS	38												35	26	35	38						
Cash Conversion Cycle	65	0	0	0	0	0	0	0	0	0	0	0	73	74	72	73	0	0	0	0	0	0

asked supplier for 25% deposit, they agreed
increased prices by 1%