Twitter Thread by The Secret CFO



The Secret CFO
@SecretCFO

If you are the CEO or CFO at a business who banks with SVB; here are some things you CAN do over the weekend

1. Build a 4 week rolling daily receipts and payments style cashflow forecast.

2. Gear up finance team to actualize & reforecast every AM by 10am

3. Schedule a Daily Cash Management Crisis call for 10am every day. CEO to chair

4. Redirect any future cash receipts / revenue into non SVB accounts. Don't throw fresh money on the fire.

5. If SVB is your only current bank. Open accounts with 2 other AA or A rated banks.

6. Go supplier by supplier and grade them a, b or c
a - showstoppers
b - pay if you can
c - don't pay

You want as few a's as possible, ideally none.

7. Find out how to get your $250k FDIC cash.

8. If you are able to pull any deposits or bonds back into a non SVB account. Do it. Put hands on any liquid you can.

9. Communicate a salary deferral plan with your top team. CEO takes the most pain $ and %. Important signal.

10. Elevate sign off of all new POs to CEO and CFO jointly. Don't sign any off.

11. Make a list of 'survival headcount'. The bare minimum on which the business can operate.

You may need this to prioritize payroll later.

12. Feed all of the above back through your 4 week rolling Daily Cash forecast.

Build a simple “who, what, when, how much” list of actions and stick it on the wall.

13. Set out a memo with the situation to your investors and the measures you are taking. Promise them a daily update following your 10am meeting.

14. Follow up the memo with a 121 call to each investor. Ask them to club into an emergency bridge.

Tough ask, but nothing to lose

15. Write out to your staff. Explain the situation. Be honest, but show them you have a plan and are controlling the controllables.

Right now your planning assumption should be that you never see your cash again. That your $250k FDIC, plus whatever you secure as an investor bridge, plus what you have in non SVB sources is the last money you have

Hopefully that’s wrong, but that’s your start point.

I’ve tapped this list out quickly so it’s not exhaustive at all, but hopefully it helps you with a head start.

I’ll add anything else that might be useful.

Good luck.

Some other thoughts here https://t.co/SMb7aQE8jy

> Re: SVB crisis. Solid tactical list for CEOs and finance teams impacted. Additional items:
>
> 1. Consider factoring receivables
> 2. Consider asking customers to prepay for a discount
> 3. Put dates on key decision points
> 4. Confirm the date payroll is pulled (not paid to EEs) https://t.co/SqWoTpIzES
>
> — Rebecca Skvorc (@rebeccaskvorc) March 11, 2023

Nice simple explainer of how this happened https://t.co/zJZg8nLWX9

> Here\u2019s a quick breakdown the SVB situation if you\u2019re still not sure what\u2019s goin on
>
> pic.twitter.com/WdsWlTFjw5
>
> — Toby (@tobydoyhowell) March 11, 2023

Founders, if you need help with this and are rolling without a CFO, see below.

Thank you to @RobertMSterling for an unbelievably generous offer.

Not only this, he'll do it wearing Jordan 1s. The full package.

DM him direct. https://t.co/8pxugXRGYE

> SERIOUS POST:
>
> If you\u2019re a founder/CEO who banks at SVB and you don\u2019t have a CFO & a cash-flow forecast for the next 13 weeks, I\u2019ll work with you to build one ASAP. 100% pro bono.
>
> I\u2019m an investor and SaaS CFO who has built countless of these. DMs open. Or robert@rocketmodel.us.
>
> — Robert Sterling (@RobertMSterling) March 11, 2023

There are a few starting to plug cash forecasting tools in the replies, etc.

Ignore it.

Excel is all you need for this.

Or Sheets. Whatever you are used to.

A manual process is a good thing here. If you don't know already, you'll fast learn how cashflow works.