HIGH-VOLUME

WORKSHEET 1 OF 9

Weekly CCC Component Check

Five numbers. One sheet. Done in under 20 minutes at the end of every week.

Complementary worksheet for
Working Capital Management
by Ibrahim Anwar

SECTION 1

What This Is For

This worksheet tracks the three components of the Cash Conversion Cycle — DSO, DIO, and DPO — on a week-by-week basis so movement is caught while it is still small. Most operators calculate CCC once at month-end and only notice a problem when the monthly number looks wrong. By then, a DSO drift that started in week two is three weeks old and may have already affected a payroll decision.

The trigger for reaching for this sheet is any week where something felt off: collections slower than usual, a vendor payment that went out early, a stock purchase larger than the plan. The sheet does not require a feeling that something is wrong to be useful — it requires only that the operator closes the books at week-end and has five source figures available. The value compounds when the sheet is filed and compared the following week. One week of data is a number; four weeks of data is a trend.

SECTION 2

Benefits

What you get when you actually run this worksheet on a real situation:

- Catches DSO drift in the week it happens, before it compounds into a monthly CCC that surprises you.
- Identifies whether DPO is being used fully — or whether vendor payments are going out ahead of agreed terms and draining cash unnecessarily.
- Gives a concrete answer to 'which component moved most this week' so corrective action is targeted, not guesswork.
- Builds the weekly baseline that makes three-consecutive-week patterns visible — the threshold at which a fluctuation becomes a structural shift.
- Takes less time than a bank statement reconciliation and produces more actionable output per minute invested.

SECTION 3

Framework To Use

— CCC Component Velocity Monitor

Each CCC component moves at its own speed. Tracking all three weekly shows which lever is slipping before the formula total obscures it.

1	{'label': 'Pull source data', 'text': 'Receivables ledger, inventory value, trade payables, credit sales, COGS — all from existing records.'}
▼	
2	{'label': 'Calculate DSO, DIO, DPO', 'text': 'Three formulas. Each takes the period-appropriate figure divided by daily average COGS or sales.'}
▼	
3	{'label': 'Compare to last week', 'text': 'Record the change. Flag any component that moved more than 3 days in either direction.'}
▼	
4	{'label': 'Name the reason', 'text': "One sentence per flagged component. If no reason can be named, write 'no explanation yet' — that itself is the flag."}
▼	
5	{'label': "File and set next week's date", 'text': 'Without filing, next week has no baseline. The ritual is the system.'}

SECTION 4

How To Use

Follow these steps in order. Each one builds on the previous.

1. Step 1: At the close of each business week, pull five figures from your records: total receivables outstanding, total credit sales for the week, average inventory value (opening plus closing divided by two), COGS for the week, and total trade payables outstanding.
2. Step 2: Calculate DSO = (Total receivables / Total credit sales) x 7. If your credit sales record is monthly, use the weekly portion: monthly credit sales divided by 4.3.
3. Step 3: Calculate DIO = (Average inventory value / Weekly COGS) x 7.
4. Step 4: Calculate DPO = (Trade payables / Weekly COGS) x 7.
5. Step 5: Enter this week's figures beside last week's. Calculate the change for each component. Flag any component where the change exceeds 3 days in either direction.
6. Step 6: Write one-sentence explanations for flagged components. If a component moved and you cannot explain why in one sentence, write 'no explanation yet' in the notes column.
7. Step 7: Check whether any component has moved in the same direction for three consecutive weeks. If yes, mark it 'structural review needed' — this is no longer weekly noise.
8. Step 8: File the completed sheet and note the date of the next weekly check.

SECTION 5

Example Use

A distribution owner closes the week on Friday afternoon. DSO was 38 days last week. This week's sheet shows DSO at 44 days. DIO and DPO are unchanged. The owner has 20 minutes before leaving.

The owner calculates: total receivables outstanding this Friday are $48,000. Weekly credit sales were $56,000. DSO = (48,000 / 56,000) x 7 = 6.0 days for the week, annualized to 43.8 days — call it 44.

Last week's sheet shows DSO at 38 days. The 6-day jump in one week is above the 3-day flag threshold. The owner checks the receivables ledger. One customer, Toko Mandiri, has an invoice of $12,400 that was due Wednesday and has not been paid. Toko Mandiri normally pays within 2 days of due date. No prior contact this week.

The owner writes in the notes column: "DSO up 6 days — Toko Mandiri $12,400 invoice overdue by 2 days, no contact yet." DIO and DPO show no change. The sheet takes 18 minutes total.

On Monday morning, the owner contacts Toko Mandiri. The invoice had been held in their accounts payable queue due to a personnel change. Payment arrives Thursday. The following Friday's sheet shows DSO back at 39 days. The 6-day flag resolved without becoming a month-end surprise — because it was named in the week it happened.

SECTION 6

The Worksheet

Tear this out, copy it onto a fresh sheet, or fill it in directly.

Weekly CCC Component Check

Five numbers. One sheet. Done in under 20 minutes at the end of every week.

COMPONENT	THIS WEEK (DAYS)	LAST WEEK (DAYS)	CHANGE (DAYS)	REASON OR FLAG

SECTION 6 (CONTINUED)

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. Which component moved most this week? Name one operational event that could explain the movement before closing the sheet. If you cannot name one, write 'no explanation yet' — that is the action item for Monday.

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2. Has any component moved in the same direction for three consecutive weeks? Three weeks in a row is not fluctuation. It is a shift that needs a written investigation, not a note to self.

SECTION 7

Tips and Traps

TIPS

- Run the sheet on the same day and time every week. Friday close of business works well because all week's transactions are settled. The ritual consistency is what makes trends visible.
- Use weekly COGS as the denominator for DIO and DPO, not monthly COGS divided by four. A weekly figure directly from the records is more accurate than a monthly estimate prorated.
- Keep all weekly sheets in one folder labelled by year. The folder is the trend record. Without it, the third-consecutive-week test is impossible.
- If a component flags three weeks in a row, add it to the monthly CCC worksheet as a specific note. The monthly sheet is the summary; the weekly sheet is the early warning.

TRAPS

- Calculating DSO using total sales rather than credit sales only. Cash sales in the denominator make DSO look lower than it is. The formula requires credit sales exclusively.
- Treating DPO movement as automatically good when it rises. If DPO rose because a vendor payment was missed rather than because terms were fully used, the reason matters as much as the direction.
- Skipping the sheet in a week where 'nothing unusual happened.' That phrase is not data. Fill the sheet anyway — the baseline from a quiet week is the reference that makes a busy week's numbers meaningful.
- Filing the sheet without the date. Without a date, the sequence cannot be reconstructed. Every sheet needs a clearly written week-ending date at the top.

SECTION 8

Appendixes

Appendix A — Weekly DSO, DIO, DPO Formulas (Short Form)

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DSO (weekly) = (Total receivables outstanding) / (Credit sales this week) x 7
DIO (weekly) = (Average inventory value) / (COGS this week) x 7
DPO (weekly) = (Trade payables outstanding) / (COGS this week) x 7
CCC (weekly) = DSO + DIO - DPO

Average inventory value = (Opening inventory + Closing inventory) / 2

Flag threshold: any component moving more than 3 days in one week.
Structural threshold: same direction for 3 consecutive weeks.
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Appendix B — What Each Component Movement Means Operationally

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DSO rising    : customers paying slower than last week
                → check aging report, identify which customer(s) account for the increase

DSO falling   : customers paying faster, or a large overdue was collected this week
                → confirm it is genuine trend, not a one-off lump payment

DIO rising    : inventory sitting longer before selling, or a large purchase this week
                → check whether purchase was planned or reactive; check slow-moving SKUs

DIO falling   : inventory turning faster, or stock running low
                → confirm Category A reorder points are not breached

DPO rising    : vendor payments going out later, closer to agreed terms
                → confirm all payments are still within contracted due dates

DPO falling   : vendor payments going out earlier than terms require
                → identify which vendors and whether early payment captured a discount
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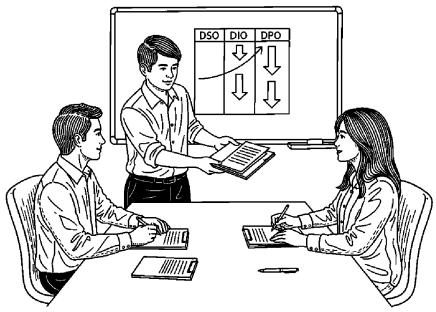

WHERE THIS WORKSHEET COMES FROM

Working Capital Management

Working Capital That Gets Stuck Is a Decision, Not Fate

by Ibrahim Anwar

This worksheet is one of nine in the *Working Capital Management* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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