



DSO

DAYS SALES OUTSTANDING

WHAT IS DSO?

A measure of the average number of days that a company takes to collect revenue after a sale has been made.

Low DSO number means it takes a company fewer days to collect its accounts receivable.

High DSO number shows a company is selling more of its product to customers on credit & taking longer to collect money.

DSO includes both unbilled and invoiced accounts receivable.

REDUCE DSO

WHAT YOU CAN DO

Reduce our average DSO by one day, collections must exceed revenue by over \$476,000, resulting in less borrowing and less interest paid. In addition, lowering our average DSO provides the company with the working capital to invest more in the division and pay our vendors more quickly.

1. Closeout packages complete/approved within 15 days of construction/milestone completion
2. No work is completed without a PO in hand from your customer
3. Invoice immediately upon COP approval to start the clock on payment terms
4. Know your contract terms and conditions! Some contracts have different billing milestones than others. Intimate knowledge of our contracts leads to decreased DSO!!

PINNACLE 2013 TARGET DSO

105 DAYS

CURRENT WEEK DSO

_____ DAYS

MONTHLY DSO PERFORMANCE

JAN:	APR:	JUL:	OCT:
FEB:	MAY:	AUG:	NOV:
MAR:	JUN:	SEPT:	DEC:
Q1 GOAL: 150	Q2 GOAL: 135	Q3 GOAL: 120	Q4 GOAL: 105