SAMPLE RESULTS · WORKED EXAMPLE

Finance Efficiency Diagnostic

Where Brightwater's finance function was costing time and carrying risk, and the plan to fix it.

MEET BRIGHTWATER FABRICATIONS

A fictional sheet-metal fabricator that sells to other businesses on 30–60 day terms. It's profitable and busy, and the owner wants to grow. We use it in our Levers for Growth guide and as the example in every Castle FD tool.

Annual sales	£4,000,000
Gross margin	40%
Overheads	£1,200,000
Operating profit	£400,000
Debtor / stock / creditor days	60 / 45 / 40
Cash in the bank	£250,000

What Brightwater answered

Part 1: 20 statements, four for each POPIT area (People, Organisation, Processes, Information, Technology), scored 1 to 5. Part 2: three checklists on written procedures, automation and systems, and core reports. Brightwater has an experienced bookkeeper and uses Xero.

54%
Finance Efficiency Index: "Stretched"

75%
Technology, its strongest area

45%
Organisation and Information, its weakest

Its POPIT heatmap

Area	Efficiency	Procedures	Automation	Controls	Index
People	3	2	2	3	50%
Organisation	3	2	1	3	45%
Processes	3	2	3	3	55%
Information	2	2	3	2	45%
Technology	4	4	4	3	75%
Average	3.0	2.4	2.6	2.8	2.7

Each cell is a score out of 5. Coverage checks: 19% of key processes written down, 69% of relevant automation in use, 69% of core reports produced regularly.

Brightwater Fabrications is a fictional business. Figures are illustrative and were produced by the free tool from the answers shown. Not financial advice: individual circumstances vary. This is a self-assessment, not an audit.

Its prioritised action plan (first 7 of 35)

#	Priority	Area	Gap and action
1	High	Organisation	**Approvals happen by email or word of mouth** Move approvals into the accounting or spend tool so each one is recorded and limits are enforced.
2	High	Processes	**No month-end close procedure** Write a month-end checklist with tasks, owners and the working day each is due.
3	Medium	Information	**No cash forecast procedure** Write down how the cash forecast is updated each week and who reviews it.
4	Medium	Information	**No management reporting procedure** Document how the monthly pack is produced, checked and issued, with a timetable.
5	Medium	Processes	**No sales invoicing procedure** Document when and how invoices are raised, so work is billed promptly and completely.
6	Medium	Information	**Low confidence in the numbers** Add a pre-issue review of key balances, margins and movements before the pack goes out.
7	Medium	Organisation	**No written approval limits** Agree and publish an approval matrix for purchases, payments, new suppliers and payroll changes.

What it told Brightwater

The finance function was getting the job done through effort rather than process. Only the bookkeeper could run payroll or make supplier payments, approvals happened by email, and management accounts arrived weeks after month-end. None of this showed up until someone was off sick.

What Brightwater did next

It moved payment approvals into Xero with a second approver, wrote a month-end checklist with a target of management accounts within ten working days, and trained a second person to cover payroll and payments. It will re-score in six months.

TRY IT ON YOUR OWN NUMBERS

Run the Finance Efficiency Diagnostic

castlefd.com/finance-efficiency-diagnostic

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