Category

Strategy

Strategy for Capital Allocation, Liquidity & Financial Resilience Playbook

Building financial resilience into strategy deliberately, before a liquidity crunch forces reactive decisions

- Executive
- Advanced
- Template Included

- Mithun A. Sridharan

- 14 February 2022
- 4 minute(s)

Overview

A framework for setting liquidity buffers, capital structure targets, and contingency financing plans as deliberate strategic choices, so financial resilience is built in advance rather than assembled under pressure during a crisis.

How is this different from the Corporate Portfolio Strategy &

Capital Allocation Playbook? That playbook allocates capital across business units based on strategic fit and return. This one is about the company's overall capital structure and liquidity posture — how much cash and financing flexibility to hold, and how conservatively to structure debt — a related but distinct financial strategy question.

Isn't liquidity management just a treasury function?

Treasury executes it, but the strategic question — how much resilience to build in, and what strategic flexibility it buys versus what it costs in returns — is a leadership and board-level strategic decision, not purely an operational treasury function.

{ "@context": "https://schema.org", "@type": "FAQPage", "mainEntity": [{ "@type": "Question", "name": "How is this different from the Corporate Portfolio Strategy &", "acceptedAnswer": { "@type": "Answer", "text": "Capital Allocation Playbook?\nThat playbook allocates capital across business units based on\nstrategic fit and return. This one is about the company's overall\ncapital structure and liquidity posture — how much cash and financing\nflexibility to hold, and how conservatively to structure debt — a\nrelated but distinct financial strategy question." } }, { "@type": "Question", "name": "Isn't liquidity management just a treasury function?", "acceptedAnswer": { "@type": "Answer", "text": "Treasury executes it, but the strategic question — how much resilience\nto build in, and what strategic flexibility it buys versus what it\ncosts in returns — is a leadership and board-level strategic decision,\nnot purely an operational treasury function." } }] }

Subscriber access

Unlock this playbook

This playbook — including every framework, template, and step-by-step section — is available free to Think Insights subscribers. Enter your email to unlock it instantly and get

our weekly insights newsletter. No account needed, and access is remembered on this device.

First Name

Last Name

Email

Country - Select -

■ I agree to data processing in accordance with GDPR

Submit

Leave this field blank

References

Related playbooks

Strategy

AI-Native Strategy & Agentic Workflows Playbook

A framework for identifying which operating processes are genuinely suited to agentic AI redesign — autonomous, multi-step task execution — versus which just ne

- Executive
- Advanced
- Template Included

Read playbook

Strategy

Board-Level Strategy Oversight & Activist Preparedness Playbook

A framework for strengthening board-level strategic oversight proactively — the same rigor that makes a company resilient to activist investor campaigns — rathe

- Executive
- Advanced
- Template Included

Read playbook

Strategy

Board Scenario Planning & Strategic Risk Oversight Playbook

A framework for board-level scenario planning that genuinely tests management's strategic assumptions and risk appetite, structured as active board deliberation

- Executive
- Advanced
- Template Included

Read playbook

Talk to us about financial resilience strategy

Tags

- Financial Resilience
- Liquidity Management
- Capital Structure

Author

Mithun A. Sridharan Thought Leader

I'm Mithun A. Sridharan, Founder of this website - Think Insights - on Strategy, Management Consulting, Leadership, Digital Transformation, and Data Literacy. Follow me on social media or connect with me on LinkedIn for updates.