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

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- 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.

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