
A FINANCIAL TRANSFORMATION METHOD

The Lemonade Method

Gather → Mix → Serve

THE METHOD

Overview

As a Fractional Controller, I use the **Lemonade Method** to help organizations move from financial uncertainty to a disciplined financial operation where leaders trust their numbers, understand their available cash, and receive reliable financial information every month.

The method follows three stages:

01

Gather

A fresh approach.

Get a fresh start and understand where we really are.

02

Mix

A clear vision.

Get clear about where we need to go and build the implementation plan to get there.

03

Serve

A bright future.

Deliver reliable monthly financial information leadership can use to make decisions.

STAGE 01

Gather

A fresh approach.

Every good batch of lemonade starts with knowing what you have to work with.

Purpose

Step out of existing routines long enough to see the financial operation with fresh eyes.

Before changing systems, processes, or people, we first need to understand what is happening today without assuming that "the way we've always done it" is the way it needs to continue.

What Happens

Gather begins with discovery.

We interview the people doing the work and observe the organization's existing accounting cycles, including areas such as:

- Accounts payable
- Revenue and receivables
- Payroll
- Bank reconciliations
- Monthly close
- Other significant accounting processes

We document the software and systems being used, how they are being used, and how financial information moves through the organization.

We then review what we learned with the team to confirm that our understanding is accurate and identify anything that may have been missed.

The Result

We establish a clean starting point:

| This is where we are today. This is how the work actually gets done.

The organization gets a fresh start grounded in an accurate understanding of its financial operation—not assumptions, inherited practices, or workarounds.

STAGE 02

Mix

A clear vision.

The right ingredients, in the right amounts, in the right order.

Purpose

Create clarity about where the organization needs to go and build the implementation plan for getting there.

Once we understand the starting point, we can identify what is working, what represents a risk, and what is not working.

Findings and Priorities

The findings are organized around three questions:

What is Working?

What should be preserved or strengthened?

What is a Risk?

Where is the organization exposed to financial, operational, or reporting problems?

What is Not Working?

What needs to change?

These findings lead to a **Solutions Report** that outlines and depicts the recommended workflows, accounting processes, systems, and software.

Leadership then determines what it wants to address and in what order.

Build the Foundation

With the direction approved, the work moves from vision into implementation.

We begin by looking for quick wins and establishing a reliable transactional foundation.

Revenue and expenditures need to be captured with the appropriate detail, coded correctly, and posted in a way that supports accurate bank reconciliation and financial reporting.

From there, the organization progressively builds the financial infrastructure it needs.

This can include:

- Correcting transaction coding and documentation

- Training accounting and non-accounting staff
- Establishing recurring expenditure schedules
- Reviewing recurring expenses for duplicate or unused services
- Establishing approval workflows for recurring expenses
- Implementing company-wide spending approval processes
- Completing accurate bank reconciliations
- Identifying designated versus available cash
- Creating cash reports for leadership
- Building balance-sheet reconciliation templates
- Creating fixed-asset roll forwards
- Creating schedules for leases, notes, and other liabilities
- Establishing monthly account reconciliation procedures
- Setting deadlines for invoices, credit-card transactions, reimbursements, and other submissions
- Establishing procedures for late transactions
- Moving toward a consistent monthly close date

Build the Discipline

Processes alone are not enough.

People throughout the organization need to understand what financial information they are responsible for providing, how it should be submitted, who approves it, and when it is due.

That often requires working beyond the accounting department to establish new expectations and habits throughout the organization.

The Result

Vision becomes a plan, and the plan becomes action.

A clear vision does not mean trying to fix everything at once. It means knowing:

Where are we going?

What needs to change?

What are we going to tackle next?

Financial problems begin to move from an interconnected collection of fires to a defined implementation plan supported by repeatable processes, controls, templates, and accountability.

STAGE 03

Serve

A bright future.

Lemonade is made to be shared. So are reliable numbers.

Purpose

Deliver reliable monthly financial information that leadership can use to manage budgets, allocate resources, make informed decisions, and prepare for year-end and audit.

Once the financial foundation is working, the organization can begin using its financial information differently.

Create Financial Visibility

Departments and key stakeholders receive appropriate access to their financial information and begin participating in regular financial reviews.

Leadership receives financial statements and financial reports on a predictable monthly cadence.

Financial information becomes part of the organization's regular operating rhythm.

Build the Budget

With reliable financial information available, the organization can develop a structured budgeting process.

Key leaders estimate their annual revenue streams and identify anticipated needs, including:

- New positions
- Compensation changes
- Capital projects
- Large purchases
- Recurring expenses
- Periodic operating expenditures

At the same time, the operations team develops the operating and overhead budget, including expenses such as rent, utilities, and other shared costs.

Leadership determines how those overhead costs should be allocated among departments, ministries, or revenue streams.

Budget owners receive their allocated costs and develop their departmental budgets.

Those budgets are compiled into an organizational draft and presented to leadership.

Leadership reviews staffing and capital requests, approves or denies them, and returns the budgets to their owners for revision.

The process continues through successive drafts until leadership approves the final organizational budget.

Complete the Annual Cycle

The financial operating cycle ultimately extends beyond monthly reporting and budgeting.

A defined year-end close process is established using the monthly close as its foundation.

Outstanding accounting questions are resolved, necessary adjustments are completed, and the organization performs a full hard close of its annual financial statements.

When an annual audit is required, the organization moves into the audit process by responding to auditor requests and resolving questions.

For multi-entity organizations, this may also include preparing consolidated financial statements in partnership with the auditors.

The annual cycle concludes with audited financial statements when an audit is required.

The Result

This is the **bright future** because the financial function is no longer focused primarily on figuring out what happened.

Leadership can begin asking a more valuable question:

| Where do we want to go from here?

Reliable financial information can now be used to plan, prioritize, allocate resources, evaluate decisions, and prepare for what is ahead.

THE RESULT

The Transformation

The journey often begins with a problem that is easy to describe and hard to fix:

Leadership cannot confidently rely on its financial information to understand available cash, manage designated funds, or make sound decisions.

That uncertainty is frequently a symptom of deeper issues involving transaction capture, reconciliations, accounting processes, controls, deadlines, reporting, and organizational accountability.

The **Lemonade Method** addresses that progression systematically.

Gather: a fresh approach

Understand where we really are.

Establish an accurate picture of the current financial operation and create the opportunity for a fresh start.

Mix: a clear vision

Determine where we need to go and build the implementation plan.

Design and implement the processes, controls, templates, systems, training, and accounting disciplines needed to produce reliable financial information.

Serve: a bright future

Give leadership reliable information to act on.

Deliver reliable monthly financial information that leadership can use to manage budgets, allocate resources, make informed decisions, and prepare for year-end and audit.

From Financial Uncertainty to Financial Clarity

The goal is not simply to produce another financial report.

The transformation is from an organization that struggles to confidently answer:

"How much cash do we actually have available to spend?"

to one with the financial processes and disciplines necessary to understand its financial position on a regular basis.

The organization moves from:

FROM		TO
Uncertainty	→	Understanding
Workarounds	→	Repeatable Processes
Reactive Accounting	→	Consistent Financial Rhythms
Unclear Cash	→	Cash Visibility
Looking Backward	→	Planning Forward

That is the progression from **Gather**, through **Mix**, to **Serve**: a fresh approach, a clear vision, and a bright future.

The Lemonade Method

01

Gather

A fresh approach.

A fresh start. Understand where you really are.

02

Mix

A clear vision.

*See where you need to go.
Build the implementation plan.*

03

Serve

A bright future.

Reliable monthly information for budgets, decisions, and audit.