

HOW NOT TO HAVE YOUR BUSINESS RUN OUT OF CASH

And why having a cash flow forecast is a good idea

Unexpected costs and drops in sales are commonplace in any business market. That's why the wisest business decisions rest on the ability to plan ahead, in accordance with well-considered foresight. Cash Flow Forecasting provides the necessary information for you to recognize the opportune time to take action, instead of running your business blind, and remove unexpected surprises where you find yourself with cash flow shortfalls. Being in a position to predict peaks and troughs doesn't just allow you to foresee cash shortfalls and plan ahead, you can also use your Cash Flow Forecast to time significant business developments or special projects. Forecasting highlights key areas of need for the business, allowing you to create practical strategies tailored specifically to your business. Through structured planning, you can avoid financial risk and be able to sustain steady growth within your business. Cash Flow Forecasts will help you understand:

- Viability of your business or new business project
- Sales and margins required to achieve Break-Even cash flow each month
- Effectiveness of your working capital management – monitoring money owing and managing stock levels
- How much money you owe
- Effect of price changes, staff levels, interest rates on future cash flows
- Key development areas to optimize business growth
- Future financial prospects

Without some form of Cash Flow Forecasting, your business is running blind in the ever fluctuating business environment and could easily crash. Anticipating trends in this environment is a necessity for any new or existing Business Plan to maintain momentum, and implementing and updating Cash Flow Forecasts provides the crucial data needed to make better decisions. A Cash Flow Forecast is only as valuable as the information input.

This resource has been kindly provided by



If you have any questions, please call 0800 CHAMBER (0800 242 623).

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