
FROM
SURVIVAL
TO
SCALE
MANAGING CASHFLOW DURING GROWTH
SURVIVE
FOCUS ON TODAY
Growth doesn't fail because businesses aren't profitable. Growth fails because businesses run out of cash.
SCALE
FOCUS ON TOMORROW
CASHFLOW IS SURVIVAL
Cash in today keeps you in business tomorrow.
PLAN AHEAD
Forecast. Prepare. Protect your cashflow.
MANAGE STRATEGICALLY
Control what goes out so you can grow what comes in.
GROW WITH CONFIDENCE
Strong cashflow today builds the business you dream of tomorrow.
CREATE IMPACT
Sustainable businesses create opportunities, change lives and build communities.
STRONG CASHFLOW. SMART DECISIONS. SUSTAINABLE GROWTH.
You've got this.

Manchester Metropolitan University

Professor Liz Warren, Head of international

Agenda

1. From Survival to scale
2. Why this matters
3. What is cashflow
4. Why growing businesses run out of cash
5. Cashflow cash study
6. From owner to CEO
7. Three questions before ever growth decision

Manchester Metropolitan University

Introduction – from Survival to Scale

"How many of you have ever looked at your sales figures and thought, 'We're finally making it'... only to discover there wasn't enough money in the bank to pay the bills?"

Why this matters

Cashflow matters……

South Africa has some of the most resilient entrepreneurs in the world.

"Growth doesn't fail because businesses aren't profitable. Growth fails because businesses run out of cash."

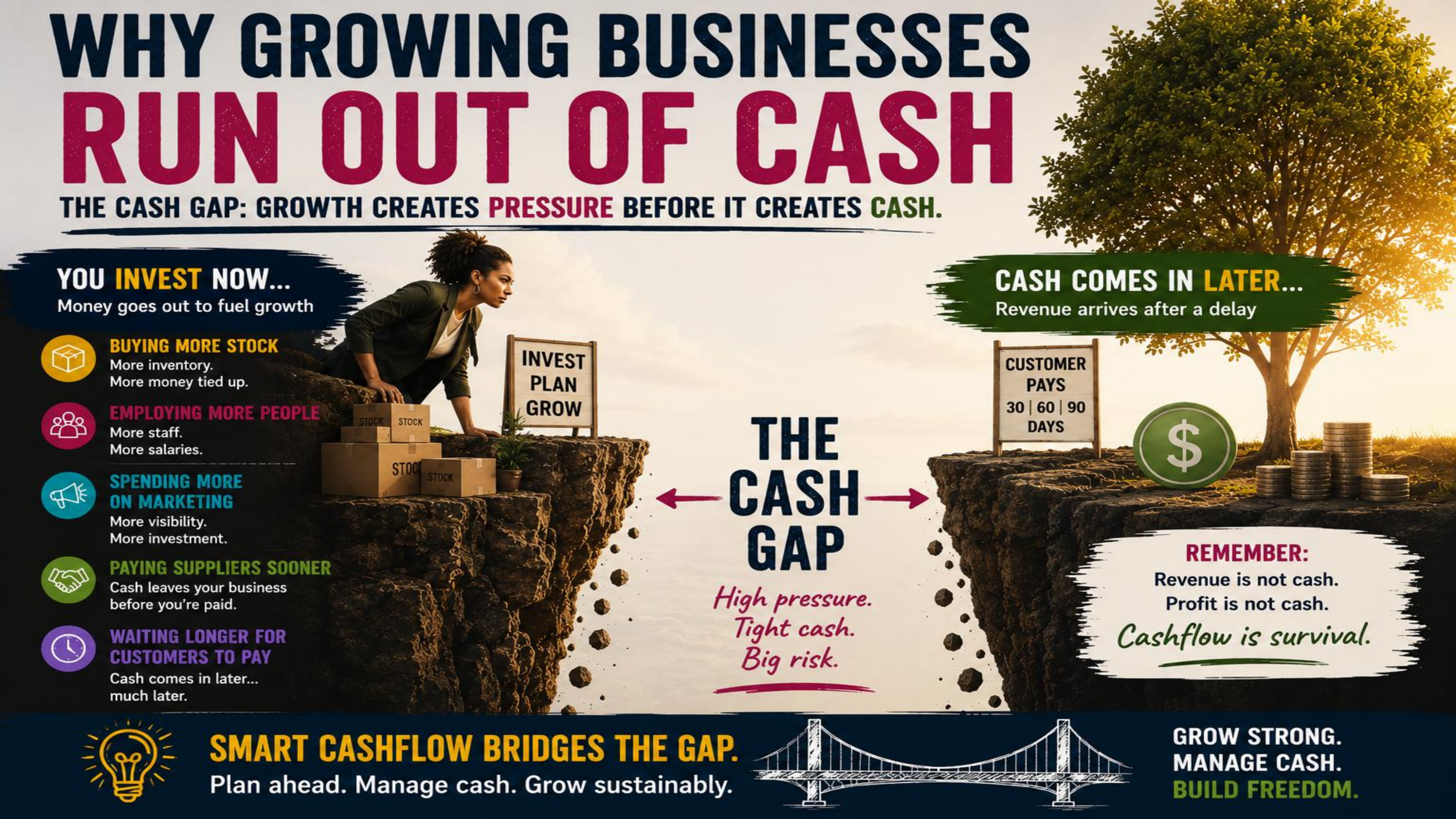
Manchester Metropolitan University

What is cashflow?

- **Revenue/ sales** = money from what you have sold
- **Profit** = What's left after the costs have been deducted from what you have sold but this includes lots of accounting concepts.
- **Cashflow** = what you actually have in terms of money – the flow of cash in and out of the business.

Which pays the salaries at the end of the month?"

"Revenue is vanity. Profit is sanity. Cash is reality."


WHY GROWING BUSINESSES
RUN OUT OF CASH
THE CASH GAP: GROWTH CREATES PRESSURE BEFORE IT CREATES CASH.
YOU INVEST NOW...
Money goes out to fuel growth
BUYING MORE STOCK
More inventory.
More money tied up.
EMPLOYING MORE PEOPLE
More staff.
More salaries.
SPENDING MORE ON MARKETING
More visibility.
More investment.
PAYING SUPPLIERS SOONER
Cash leaves your business before you're paid.
WAITING LONGER FOR CUSTOMERS TO PAY
Cash comes in later... much later.
INVEST
PLAN
GROW
STOCK
THE CASH GAP
High pressure.
Tight cash.
Big risk.
CASH COMES IN LATER...
Revenue arrives after a delay
CUSTOMER PAYS
30 | 60 | 90 DAYS
REMEMBER:
Revenue is not cash.
Profit is not cash.
Cashflow is survival.
SMART CASHFLOW BRIDGES THE GAP.
Plan ahead. Manage cash. Grow sustainably.
GROW STRONG.
MANAGE CASH.
BUILD FREEDOM.

CASHFLOW CASE STUDY

Thandi's Catering Company

Growth is exciting. Cashflow keeps you in business.

THE SCENARIO

Thandi runs a catering business in Johannesburg.

She wins a large corporate contract for **R120,000.**

The client will only pay **45 DAYS AFTER** the event, but Thandi has to pay most costs upfront.

1. COSTS BEFORE PAYMENT ARRIVES

ITEM	AMOUNT (R)
Food and ingredients	R38,000
Temporary staff	R22,000
Transport and equipment hire	R12,000
Marketing / admin costs	R5,000
TOTAL COSTS BEFORE PAYMENT ARRIVES	**R77,000**

2. ON PAPER, THE JOB IS PROFITABLE

Contract value (income)	R120,000
Total costs	– R77,000
= PROFIT	**R43,000**

3. BUT HERE'S THE CASHFLOW PROBLEM

Thandi only has **R35,000** cash in the bank.

Cash shortfall

R77,000 costs – R35,000 available cash

= R42,000 CASH GAP

4. WHAT COULD THANDI DO?

DISCUSSION QUESTION

Should Thandi accept the contract?

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CASHFLOW CASE STUDY
THANDI'S CATERING COMPANY

Growth looks good. Cashflow keeps you in business.

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4. WHAT COULD THANDI DO?

1. ASK FOR A DEPOSIT	e.g. 50% deposit Brings in R60,000 upfront
2. NEGOTIATE PAYMENT TERMS	Delays some costs
3. STAGE PAYMENTS	50% deposit, 25% on event day, 25% after
4. USE INVOICE FINANCE OR SHORT-TERM FUNDING	Covers timing gap
5. INCREASE PRICE FOR LATE-PAYMENT CLIENTS	Protects margin
6. TURN DOWN OR RESIZE THE CONTRACT	Avoids overtrading

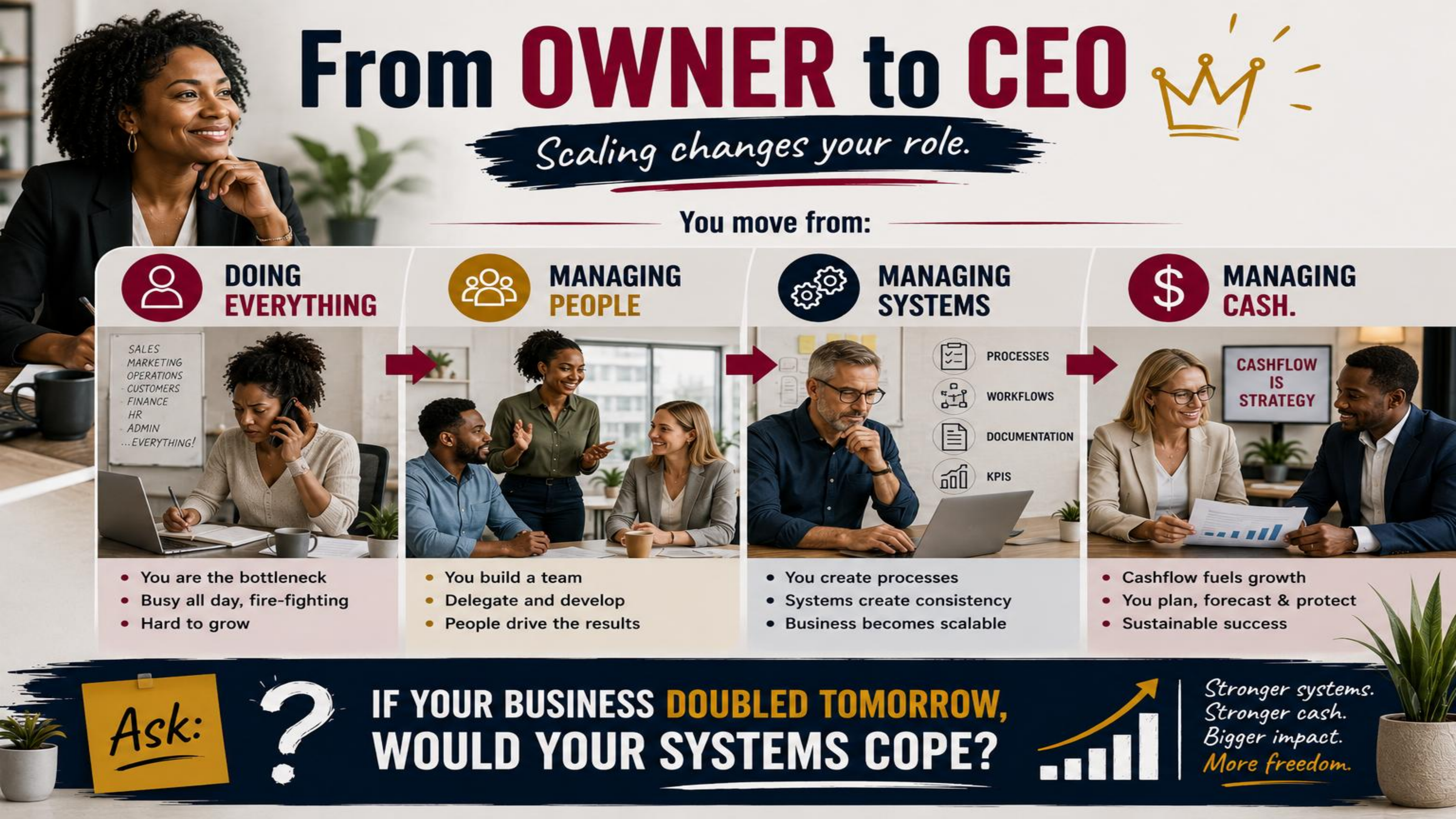
KEY LEARNING POINT

Thandi's business is profitable but cash-poor.
Growth creates pressure because the business has to pay for delivery before income arrives.

5. KEY TAKEAWAYS

- Cashflow is more important than profit in the short term.
- Growth creates cash challenges – plan for them.
- Forecast cash weekly, not annually.
- Price for value, not fear.
- Build systems before scaling.
- Lead your business with financial confidence, not financial anxiety.

THE GOAL ISN'T SIMPLY TO BUILD A BIGGER BUSINESS.
IT'S TO BUILD A BUSINESS THAT CREATES FREEDOM – FOR YOU, YOUR FAMILY, YOUR EMPLOYEES AND YOUR COMMUNITY.


From OWNER to CEO
Scaling changes your role.
You move from:
DOING EVERYTHING
SALES
MARKETING
OPERATIONS
CUSTOMERS
FINANCE
HR
ADMIN
...EVERYTHING!
• You are the bottleneck
• Busy all day, fire-fighting
• Hard to grow
MANAGING PEOPLE
• You build a team
• Delegate and develop
• People drive the results
MANAGING SYSTEMS
PROCESSES
WORKFLOWS
DOCUMENTATION
KPIS
• You create processes
• Systems create consistency
• Business becomes scalable
MANAGING CASH.
CASHFLOW IS STRATEGY
• Cashflow fuels growth
• You plan, forecast & protect
• Sustainable success
Ask:
IF YOUR BUSINESS DOUBLED TOMORROW, WOULD YOUR SYSTEMS COPE?
Stronger systems.
Stronger cash.
Bigger impact.
More freedom.

Three Questions Before Every Growth Decision

- **1** How does this affect cash over the next 90 days?
- **2** When will the money actually arrive?
- **3** Can I fund this growth without putting my business at risk?

PROFIT TELLS YOU IF THE WORK IS WORTH DOING. | CASHFLOW TELLS YOU IF YOU CAN SURVIVE DOING IT.


BUILDING DREAMS


CREATING JOBS


SUPPORTING FAMILIES


STRENGTHENING COMMUNITIES

STRONG BUSINESSES CHANGE LIVES. STRONG CASHFLOW KEEPS THEM ALIVE.

PROFIT The scorecard	VS	CASHFLOW The lifeline
Shows performance		Shows cash in and out
Tells you if the work is worth doing		Tells you if you can survive doing it
Looks at the past		Looks at the future
Profit is an opinion. Cashflow is a fact.		No cash, no business.

TAKEAWAY ADVICE

1. PLAN TO START YOUR BUSINESS

A solid business plan with finances includes:

- Start-up costs
- Pricing & sales forecasts
- Break-even analysis
- Cashflow forecast
- Funding requirements

2. MANAGE CASHFLOW EVERY DAY

- Track cash in and out
- Manage working capital
- Invoice on time
- Control costs
- Build a cash buffer

Cashflow problems don't start suddenly – *they build.*

3. PLAN TO GROW YOUR BUSINESS

Growth requires a new business plan centred on cashflow management:

- More stock
- More people
- More marketing
- Longer payment cycles
- **Bigger cash buffer**

Growth creates pressure before it creates cash.

4. STAY IN CONTROL, STAY IN BUSINESS

- Review & update your plans regularly
- Use data to decide
- Plan for challenges
- Cashflow gives you options and freedom

GROWTH IS EXCITING. | CASHFLOW IS ESSENTIAL. | PLAN SMART. MANAGE CASH. BUILD A BUSINESS THAT LASTS.

Manchester
Metropolitan
University

Contact Me

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