

Navigating Cash Flows:

Part 1:

50% of businesses can only survive **2 weeks** without incoming cash.

- **Emergency cash planning** is essential—think of cash as your storm shelter.
 - **Cash Flow Basics:**
 - **Inflow:** Money received (sales, investments, loans).
 - **Outflow:** Money spent to operate (payroll, rent, inventory).
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Part 2: Cash Flow Analysis

- **Tool Highlight:** JPMC offers a **Cash Flow Analysis Tool** to visualize annual inflows/outflows.
- **Maximizing Cash In – 4 Key Strategies:**
 1. **Know Your Competition**
 - Understand market dynamics and differentiate your offerings.
 2. **Segment Your Customers**
 - **Best Customers:** Frequent spenders.
 - **Sustaining Customers:** Occasional buyers.
 - **Look-Alikes:** Potential customers with similar traits.
 - **Aspirational Customers:** Not yet buyers, but targeted.
 - **CRM Importance:** 75% of businesses lack one—critical for tracking and nurturing relationships.
 3. **Consider Your Pricing**
 - Explore **value-based pricing** or **penetration pricing** (e.g., Netflix model).
 4. **Collect on Your Sales**
 - Strengthen receivables process:
 - Monitor accounts.

- Implement checks and balances.

Part 3: Minimizing Cash Out

- **Right-size spending** by understanding where and when cash exits.

1. Vendor Relationships

- Negotiate better payment terms.
- Reevaluate vendor partnerships.

2. Team Efficiency

- Assess essential roles.
- Consider contractors vs. full-time staff.

3. Real Estate

- Reassess space needs—can you downsize or go remote?

4. Inventory Management

- 43% of small businesses don't track inventory—optimize free cash.

5. Marketing Spend

- Focus on ROI-driven initiatives.
- B2B marketing guideline: **1%–5% of revenue**.

Part 4: Make Cash Work for You

- Understand how money flows through your business.
- Use insights to **invest wisely, plan strategically, and build resilience**.