



1

Using Zoom features

- Select Audio Settings to select and test your speakers
- Submit questions via Q&A button
- Click Leave Meeting if you need to leave, you can rejoin using your link

INGHAM MORA
CHARTERED ACCOUNTANTS

2

Today's presenter

Tom Beswick
tom@inghammora.co.nz
07 927 1166 / 027 5744 019

Disclaimer:
The information in this webinar is intended for educational purposes and is of a general nature only. It does not constitute legal or professional advice specific to your particular circumstances. We don't make any warranty, express or implied, and don't accept legal liability or responsibility for the accuracy, completeness, or usefulness of any information presented. We recommend contacting us or other suitable professionals for advice specific to your circumstances.

INGHAM MORA
CHARTERED ACCOUNTANTS

3

Cashflow is the lifeblood of a business.

Xero Small Business Insights:
More than 90% of businesses in New Zealand, Australia and the United Kingdom experience at least one month of negative cashflow each year.




Source: Xero Small Business Insights, Accenture

4

Agenda

1. Planning for 'what ifs'.
2. Increasing sales outcomes.
3. Lowering the cost of sales.
4. Managing cashflow.
5. Next Steps.
6. Q & A.

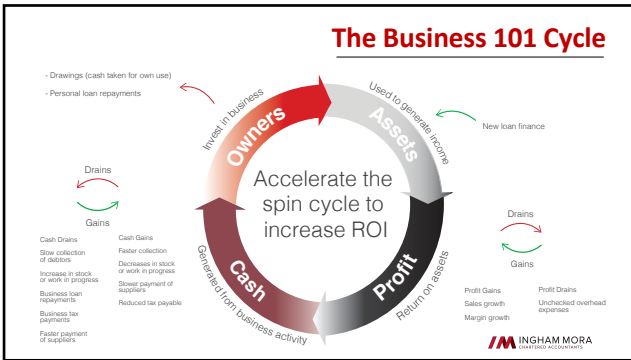


5

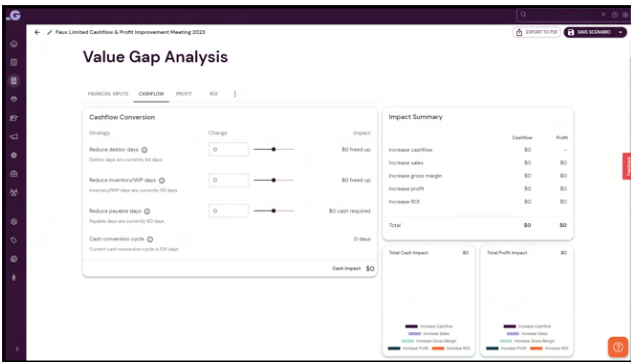
How could a tougher economy affect your business?

- Fewer customers
- Fewer enquiries or leads
- Harder to convert enquiries or leads into sales
- Customers return less often
- Customers spend less
- Competitors reduce prices to attract customers
- Increased cost of stock
- Increased expenses (interest rates, fuel, wages, etc.)

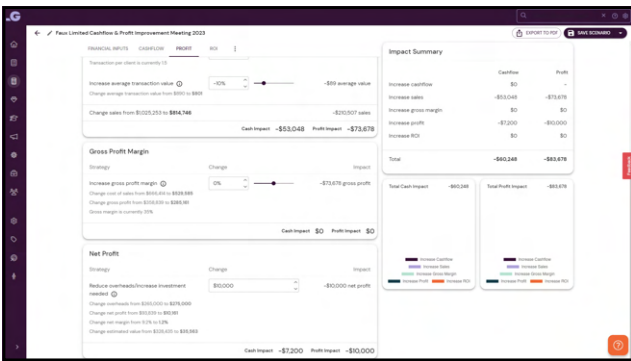
6



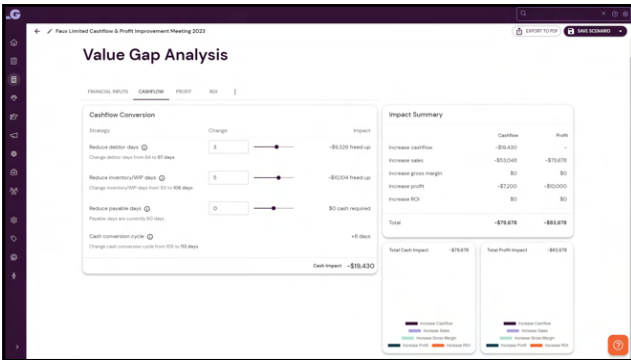
7



8



9



10

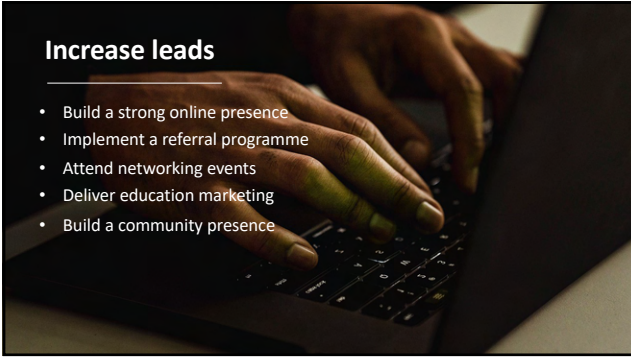


Increase retention

- Engage customers (in person and online)
- Know your customer
- Ask them what they want
- Under Promise Over Deliver (UPOD)
- Reward loyalty
- Consider offering guarantees

INGHAM MORA
INTEGRATED BUSINESS PARTNERS

11



Increase leads

- Build a strong online presence
- Implement a referral programme
- Attend networking events
- Deliver education marketing
- Build a community presence

12


Turn leads into customers

- Train your sales team
- Offer alternative payment methods
- Utilise testimonials and case studies
- Make it easy for customers to access
- Allow online booking for appointments

13

Increase transaction value

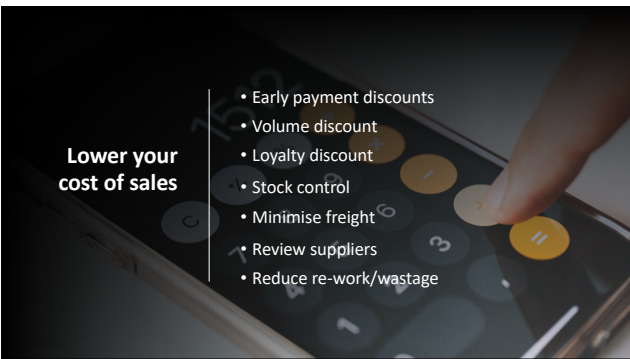
- Increase prices
- Avoid discounting
- Package products together
- Offer better payment options
- Upsell



14

Lower your cost of sales

- Early payment discounts
- Volume discount
- Loyalty discount
- Stock control
- Minimise freight
- Review suppliers
- Reduce re-work/wastage



15

Dangers of discounting

Current Selling Price and Quantity				Decrease Selling Price (10%)			
	Quantity	Unit Price	Total		Quantity	Unit Price	Total
Sales	10,000	\$100	\$1,000,000	Sales	10,000	\$90	\$900,000
COS	10,000	\$60	\$600,000	COS	10,000	\$60	\$600,000
Gross Profit			\$400,000	Gross Profit		\$90	\$300,000

Decrease Volume (10%)			
	Quantity	Unit Price	Total
Sales	9,000	\$100	\$900,000
COS	9,000	\$60	\$540,000
Gross Profit			\$360,000

INGHAM MORA

16

Cashflow management

1. Create or review your debtors process and enforce payment terms.
2. Qualify customers before offering credit.
3. Create a stock control system and monitor sales trends.
4. Negotiate better terms with suppliers.
5. Utilise and adhere to budgets and forecasts.
6. Determine a monthly drawings amount.

17

Value Gap Analysis

Cashflow Conversion

Strategy: Reduce debtor days

Change: 2 | Impact: -\$9,028 Freed up

Strategy: Reduce inventory

Change: 5 | Impact: -\$10,044 Freed up

Strategy: Reduce payable days

Change: 0 | Impact: \$0 cash required

Strategy: Cash conversion cycle

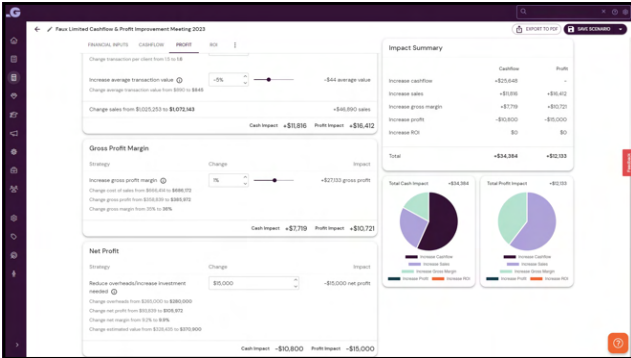
Change: +5 days | Impact: -\$5 cash

Cash Impact: -\$9,430

Impact Summary

	Cashflow	Profit
Increase cashflow	-\$9,430	-
Increase sales	-\$10,048	-\$10,678
Increase gross margin	\$0	\$0
Increase profit	-\$12,000	-\$10,000
Increase RCD	\$0	\$0
Total	-\$11,478	-\$10,678


18



19

Key Performance Indicators (KPIs)

1. Define, measure and report on your KPIs.
2. Set and communicate targets to your team.
3. Measure your results.
4. Consider the impact of corrective action.
5. Align goals actions with improving KPIs.



20

Your next steps

- Set aside time to work *ON* your business
- Identify and monitor your key sales and cashflow drivers
- Analyse 'what if' scenarios to determine the impact on your business
- Set goals and review progress





21

How we can help you


1. Cashflow & Profit Improvement Meeting - \$500
2. Cashflow Forecast - \$1500 - \$2500
3. Cashflow Management Coaching – POA

* GST exclusive

22



Questions?



23

Parting thought

“Never take your eyes off the cash flow because it’s the lifeblood of business.”

- Richard Branson

24



25
