



Swindon & Wiltshire Growth Hub

Our job, our *only* job, is to help you succeed

The likelihood is that you've already met some of us before. We're a consortium formed through the Swindon and Wiltshire Local Enterprise Partnership, funded by central and local Government and led by "Inspire by Wessex Chambers" in partnership with Swindon Chamber of Commerce and Business West all with one aim - to help businesses in Wiltshire succeed and grow.

We provide a gateway to all available national and local business support, marshalling the best of government agency support and commercial expertise and advice delivered along with free, expert and impartial advice and direction through our team of business managers.

Our team help business through seminars and courses, networking, one to one meetings and we are always on the end of a phone



Rob Perks - CEO of Inspire

5 key questions you need to ask your Finance Director

As businesses grow, their needs increase. The person steering the finances needs to be someone who can take on a broad commercial role. Forecasting, IT, tax issues, insurance and back office functions – all these need to run smoothly. But a fast-growth business needs someone who can anticipate both future opportunities and potential problems.

A good financial director will help owner-managers understand which aspects of the business are the most profitable, as well as forecasting ways to exploit other opportunities. Over the next few issues, we'll be looking at 5 key questions

1. What is our cash cycle and how can we improve it
2. What Key Performance Indicators should we use and what do they say
3. How can we improve profitability - 15 ways to improve profitability
4. What is our Business Plan and is it the right plan -
5. Can we reduce Overheads - 10 creative ways to reduce overheads

So the first question What is our cash cycle and how can we improve it ?

As the saying goes, Sales are Vanity, Profit is Sanity and Cash is King. The Cash Cycle also known as the Working Capital Cycle helps you to quickly understand how much cash you need to run your business.

Here is a great example from Steve Grice for an average business

Average time to collect payment from customers	60 days	plus
Average days sales held in stock	25 days	less..
Average days taken to pay suppliers	35 days	equals...
Cash cycle	50 days	

This means that you need enough cash in your business to finance 50 days worth of sales. If your sales are £1,000,000, you will need cash of £136,900. In practice, your business will probably need more cash available than this to pay for rent, rates, wages etc. You may also get cash spikes at the quarter end if you pay VAT

Here is a brilliant Cash Flow Improvement Tool from [NAB](http://oms.nab.com.au/media/10/power_of_one/CF.html)http://oms.nab.com.au/media/10/power_of_one/CF.html.

Delivered by



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