

How cashflow forecasting boosts business growth

Forecasting is your bespoke map of potential futures for your business. Build a strong growth plan to act as a springboard to get you to where you want to be. It'll educate you on the best path to take and warn you of the pitfalls you may face on the way. May the road to business greatness begin...

Keep up to date

Regularly update forecasts in order to evaluate your business' current position as well as its potential futures. Should more/less money be invested in staffing? Is a certain area/team underperforming? Everyone needs a reality check and regularly updating your forecasts puts you directly in the midst of the facts.

Include liquid assets, due bills and invoices, allowing you to look at cashflow rather than just profit and loss. Keep an eye on your cashflow; do you need to increase your debt collecting reputation or lessen your expenses? Look for optimisation in every part of your business any small tweak could be a massive growth opportunity.

Optimise your growth plan

Having a growth plan is one thing; having an attainable, yet ambitious growth plan based on data fueled financial predictions is another. With your expected financial peaks and troughs laid out in front of you, mould your growth plan to fit this frame. Predict the best time to make growth moves, safe in the knowledge that you're in a secure position to do so.

Additionally, forecasting allows you to prepare for potential hardships. Respond by spending more conservatively in the months prior or researching funding options. Either way, there is a range of options available to you and you'll be thankful for the time to prepare. Your survival is dependent on how skillfully you traverse pitfalls, in equal measure to how effectively you grow.

Beyond financial preparation, forecasting allows you to optimise your inventory, minimise unnecessary expenditure and modify your staffing. If you are prepared for a busy spell, you can maximise the benefits and alternatively, if you're prepared for a dry spell, you can minimise the loss.