



# Financial Management for Scale Up Businesses

With Sally Farrant

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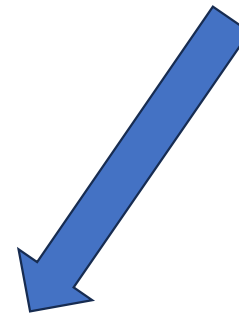
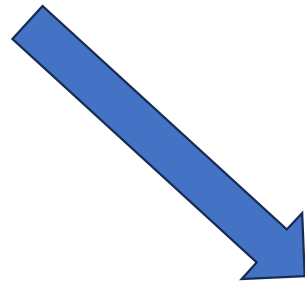
# Session Learning Objectives

- 🌱 Understanding the importance of budgeting and forecasting
- 🌱 How to have robust financial processes
- 🌱 Managing cash flow in a growing business
- 🌱 How to make a business case to enable good decision making
- 🌱 How to decide on a financial system

# Financial Elements

**Profit and Loss**

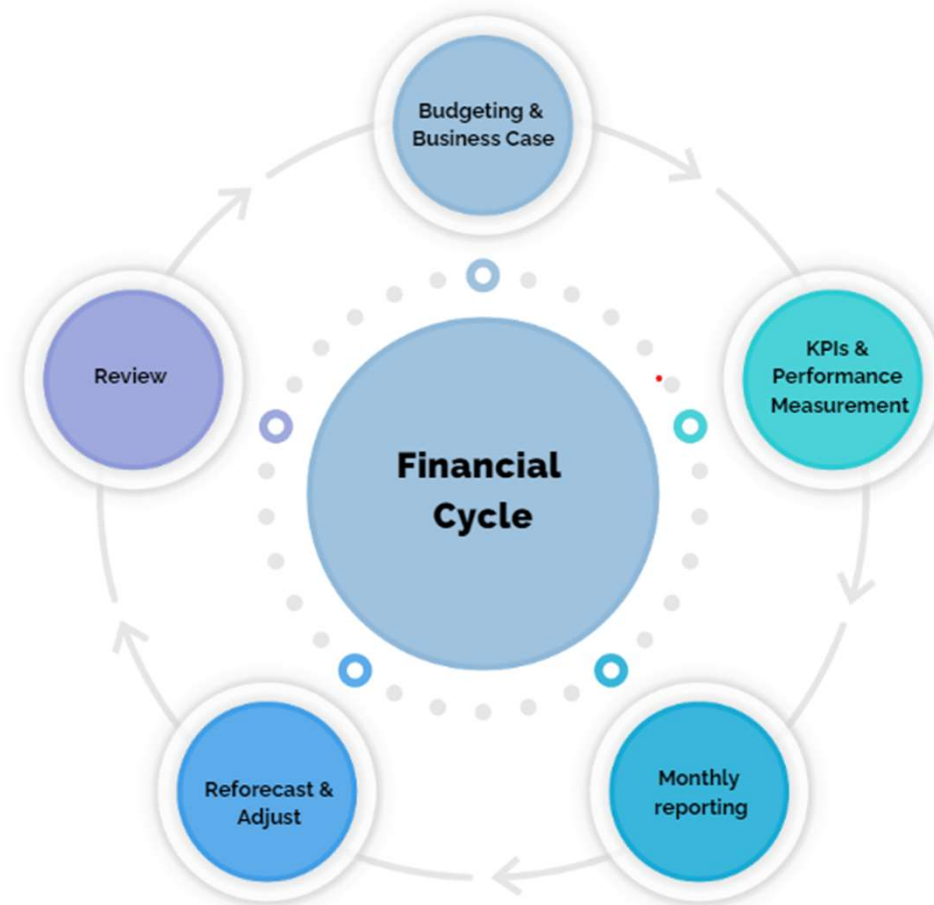
**Balance Sheet**



**Cash flow**



# The Financial Cycle





# Budgeting and Forecasting



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# Budgeting and Forecasting

- 🌱 Really important for growth and stability
- 🌱 Not just about profit, cash is king (especially in product companies)
- 🌱 Spreadsheets most common, systems exist
- 🌱 Upfront investments
- 🌱 Use last year if relevant – can be useful for costs
- 🌱 Seasonality
- 🌱 Review and reforecast



# Financial Processes

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# Financial Processes

- Need to have control over spending vs income
- Ensure accurate reporting of information
- Often need this if looking for investment / debt
- Policies may be needed eg expenses, travel etc
- Start when small – will make scaling easier





# Managing cash flow



# Cash flow

- Can be very challenging in a growth company
- Often need to spend money before the money comes in
- Stock a particular challenge
- Forecasting is critical for gaps
- Financing might be needed





# Financing options

- Overdraft / credit cards
- Bank loans / government backed startup loans
- Invoice financing / factoring
- Asset lending
- Investment by individuals or lending Peer-to-Peer
- Community Development Finance Institutions (CDFIs)
- Think about length of borrowing, interest rates etc



# Building a Business Case



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# Building a business case

- 🌱 Know your audience – internal vs external
- 🌱 What is the goal – what decision is needed?
- 🌱 Financial business case with supporting words
- 🌱 Risks and opportunities
- 🌱 Cost benefit analysis
- 🌱 Use ROI and payback to assess
- 🌱 Make it structured



# Financial systems



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# Financial Systems

- 🌿 Move to a “proper” system as soon as you can
- 🌿 Lower numbers of transactions make bedding in easier
- 🌿 Make sure it's fit for purpose
- 🌿 Use an industry system
- 🌿 Look at Xero / QuickBooks and their add ons
- 🌿 Don't want to change systems



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