



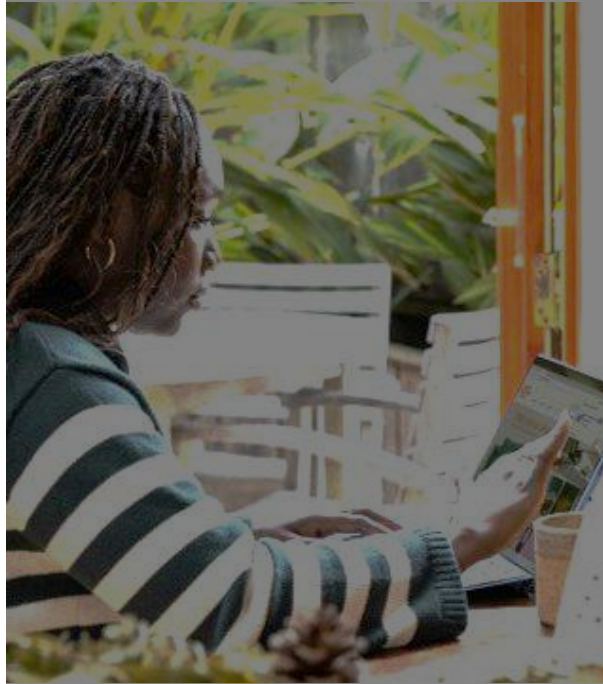
FINANCIAL MANAGEMENT

Manage Your Money

MODULE 09

FINANCIAL MANAGEMENT

OBJECTIVES



Managing your finances is your business's oxygen supply!
After successfully completing this module, you should be able to:

1. Understand your business financial overview
2. Know how to do break even analysis and cash flow forecasting
3. Recognise why bookkeeping is important and how it influences your business decisions

BASELINE QUIZ

Answer the quiz.

Then, on a scale of 1 (totally inadequate) to 5 (totally awesome), indicate how you would rate your current financial management skills.

① ② ③ ④ ⑤

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LESSON

1

KNOW YOUR NUMBERS

Understand Your Financial Overview

LESSON

2

PLAN TO PROFIT

Master Break Even Analysis and Cash Flow
Forecasting

LESSON

3

DRIVE SMART DECISIONS with BOOKKEEPING

Recognise the Importance of Bookkeeping



**PEOPLE
DYNAMICS**

Your goals. In reach. Together.



**You must gain
control over your
money or the lack of
it will forever control
you.**

-
Dave Ramsey

LESSON 09.1

KNOW YOUR NUMBERS

Understand Your Business
Financial Overview



**PEOPLE
DYNAMICS**

Your goals. In reach. Together.

YOUR BUSINESS'S

FINANCIAL OVERVIEW

Think of a financial overview along the lines of a health check-up for your business.

- **Monitor earnings and spending** to stay profitable.
- **Spot cash flow gaps** before they turn into emergencies.
- **Make better choices**, like where to invest or where to cut back.
- **Stay on top of taxes** and “*surprise*” tax returns that must be paid.
- **Plan your personal income**, especially if you’re running a solo business.



KEEP AN EYE ON THESE

6 FINANCIAL ELEMENTS

To get a clear view of your finances,
focus on these core areas:

① INCOME (REVENUE)

Your income is your foundation. Knowing where it comes from helps you focus on what's working.

② EXPENSES

Keeping expenses in check means more profit stays in your pocket.

③ PROFIT (NET INCOME)

Profit = Total Revenue - Total Expenses
Profit is what you can reinvest or take home.
"Being in the red" (negative) is a giant red flag 🚩

④ CASH FLOW

Even if your business is profitable, you will struggle if your cash flow is tied up.

⑤ ASSETS & LIABILITIES

Assets: What you own
Liabilities: What you owe.
Indicates short-term financial status.

⑥ TAXES

Staying compliant avoids penalties and that sinking feeling when you get an unexpected SARS bill.



**Financial
management is not
just about keeping
the books;
it's about steering
the business toward
profitability and
growth.**

-

Anonymous

GET A GRIP ON YOUR MONEY

Here's a practical way to stay in control:

01

GET ORGANISED

Separate business and personal money
Use simple tools
Automate tracking

02

BUILD KEY REPORTS

Profit and Loss (P&L)
Cash Flow Statement
Balance Sheet

03

REVIEW REGULARLY

Monthly: Check P&L and cash flow
Quarterly: Adjust strategy
Annually: Set goals for the next year

04

TRACK KEY METRICS

Profit Margin: $(\text{Profit} \div \text{Revenue}) \times 100$
Cash Runway: How long your current cash will last
Client Dependence: If one client brings most of your income, diversify.

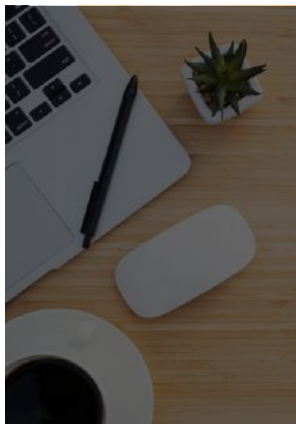
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PLAN FOR GROWTH

Set goals
Budget for investments
Know your break-even point

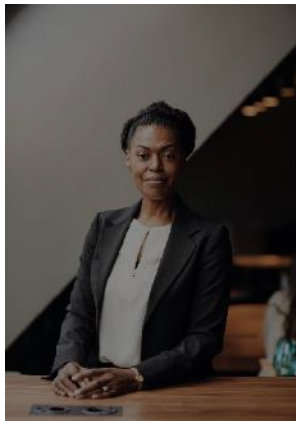
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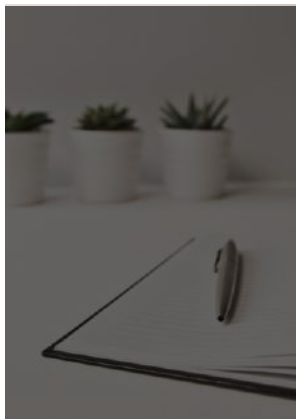
HELPFUL TOOLS

- Free/Cheap:** Wave, Google Sheets, Expensify.
- Paid:** QuickBooks (R30-550/month), FreshBooks (R90-350/month).
- Tax Help:** Consult a CPA or use TurboTax Self-Employed.



WHEN TO GET HELP

- Bookkeeper:** If tracking feels overwhelming (~R100-400/hour).
- Accountant:** For complex taxes or growth phases.
- Financial Advisor:** For long-term planning.



QUICK ACTION PLAN

- Today:** Open a business bank account.
- This Week:** Set up income/expense tracking.
- This Month:** Run a P&L for the last 30 days.
- Ongoing:** Monthly reviews + tax savings.

KNOW YOUR NUMBERS

P&L QUIZ

Create and Share a Simple Profit and Loss (P&L) Statement

List your business's revenue and expenses for the past 30 days to calculate your profit (Revenue - Expenses).

Share a brief summary of your findings, such as whether you're profitable and one key insight online.



LESSON 09.2

PLAN TO PROFIT

Know How to do Break Even
Analysis and Cash Flow
Forecasting



**PEOPLE
DYNAMICS**


Your goals. In reach. Together.

BREAK-EVEN ANALYSIS

DEFINITION

The point where your **total revenue = total costs** (no profit, no loss). It tells you how much you need to sell to cover expenses.

FORMULA



$$\text{Break Even Point (Units)} = \frac{\text{Fixed Costs}}{\text{Selling Price per Unit} - \text{Variable Cost per Unit}}$$

(or in rands: **Break-Even Revenue** = Break-Even Units × Selling Price)

Key Terms:

Fixed Costs	→ Expenses that don't change
Variable Costs	→ Expenses tied to production or sales
Contribution Margin	→ Selling Price – Variable Costs



CASH FLOW FORECASTING

DEFINITION

Predicting how much money will **come in** (income) and **go out** (expenses) over time to avoid cash shortages.

CREATE A SIMPLE FORECAST

STEP
1

ESTIMATE MONTHLY INCOME

STEP
2

ESTIMATE MONTHLY EXPENSES

STEP
3

TRACK TIMING

STEP
4

CALCULATE NET CASH FLOW

FORMULA

Net Cash Flow = Cash In – Cash Out

STEP
5

PROJECT BANK BALANCE

FORMULA

Ending Balance = Starting Balance + Net Cash Flow

PLAN TO PROFIT

BREAK EVEN QUIZ

Answer the quick question below to access a **BONUS LESSON** on ways to keep your cash flowing smoothly.



LESSON 09.3

DRIVE SMART DECISIONS WITH BOOKKEEPING

Recognise Why Bookkeeping is
Important and How It Influences
Your Business Decisions



**PEOPLE
DYNAMICS**

Your goals. In reach. Together.

SOUND DECISION-MAKING AND

BOOKKEEPING

If you're starting a business, staying on top of your finances isn't just helpful.... it's essential.

- 1  No more guesswork - just hard numbers
- 2 Budgets that actually work 
- 3  Makes investment choices clearer
- 4 Avoids tax-time stress (and costly mistakes) 
- 5  Spots trends before they become problems
- 6 Opens doors to funding 
- 7  Protects you from errors and fraud

PROGRESS SINCE THE

BASELINE QUIZ

Remember that baseline you established at the beginning of this module?

Now re-answer the quiz to see how far your financial management skills have progressed!

Then, on a scale of 1 (totally inadequate) to 5 (totally awesome), indicate how you would rate your financial management skills now.

① ② ③ ④ ⑤

FOR MORE INFORMATION




GET IN TOUCH

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