

Cash Is King

There are a few ways to test if your business is doing well. Your break-even. This is a fast way to project whether a business concept will make sense financially, however it is optimistic and often overlooks many of the smaller expenses (which could end up to total a lot).

Your net income. This is great as it takes into account all of the expenses that occur in a business including taxes and interest which are sometimes forgotten. The main premise is to take your revenue, subtract your expenses, then interest, then taxes. This leaves you with your net income.



Your cash flow statement. This is a good tool to plan for when money is coming in and going out. But it isn't reality as money coming in may take longer or may not show up. So although good, this is still not foolproof. Your bank account. How much money is in the bank is one of the best litmus tests for an entrepreneur to tell you how their business is doing. If your bank account is empty, there is a problem!

TIP: Wonder how business is going? Check your bank balance.

Business Solver Modules:

- ❖ Cash Flow
- ❖ Is There A Need?
- ❖ Do You Need Investors?
- ❖ Forecasting Sales

