



CASH FLOW

WHAT IS IT?

WHY DO WE CARE ABOUT IT?

What do managers need to know?

The movement of cash in and out of a business
But why is cash flow so important to managers?

Liquidity & Stability

Positive cash flow allows a business to pay bills on time, avoid late fees, maintain a stable financial position



Decision Making

Cash flow helps to make better plans and decisions by providing an accurate picture of the funds available to management at any given moment

Growth and Flexibility

Positive cash flow provides the flexibility to invest in growth opportunities, avoid high-interest loans, and make quick, confident decisions when opportunities arise



Business Relationships

Cash flow enables a business to honor its financial obligations, thereby protecting its relationships with suppliers and maintaining a good reputation

