

BURN RATE

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Burn Rate

- Net negative cash flow per unit time.
- Typically expressed as monthly value.

“What’s your burn rate?”
(or sometimes just “What’s your burn?”)

Photo: flickr

Fume Date and Runway

- How much cash do you have on hand?
- Cash-on-hand / burn-rate is your *runway*.
- Your *fume date* is the date at which you have no remaining runway.



Photo: David Dixon

Illustrative Example – Detailed Runway Analysis

