

Cash Flow Coaching Kit

[Narrator] - Cash Flow Canvas coaching tips.

Matthew Lee, Director, Lee and Alexander Chartered Accountants.

[Matthew Lee] - I use the Cash Flow Canvas as a visual trigger with clients, it allows me to show them very simply some figures on their cash in, cash out, and where the money is going.

Quite often, they will understand that they're earning more than they're spending, but then they can't answer where the money ends up, and the Cash Flow Canvas helps me to explain this to them.

[Narrator] - David Simmons, Chartered Accountant.

[David Simmons] - I use the canvas as a point of reference so I can come back and address the various elements of it.

Question about profitability, how long does it take them to become profitable or to grow their profitability?

Do they need finance to be able to, what difference will the additional finance have on their business?

So these elements are all so important when running a business.

[Narrator] - Ian Wood, Managing Director, Value Beyond Business Advisors.

[Ian Wood] - We use the Cash Flow Canvas as a way to understand exactly where their cash flow is going right now, but to also then provide different scenarios so that if they were to increase sales, or increase staff members, then see what the impact will be on the cash flow from there.

[Narrator] - Peter Knight, Director, Knight Partners.

[Peter Knight] - If you're using the canvas for the first time, I would suggest this.

Resist the temptation to get caught up in the minutiae.

As accountants, we like things to balance and right down to the dollars and cents, the canvas is not designed for that.

It's to get the general essence of the P and L, and break it into the core components.

But at the heart of it, it's the lead to the conversation.

For the Cash Flow conversation that follows it, not so much the accuracy of the canvas itself.

[lighthearted music]

Cash Flow Coaching Kit Better understand your cash flow at www.cashflowcoachingkit.com.au