

eCourse Outline

Understanding Your Financial Statements - Your Cash Flow Statement

- 1. Cash Flow Statements**
 - a. Cash in-flow and out-flow
- 2. Starting a business**
 - a. Part of a business plan
 - b. Assess viability
 - c. Identify start up costs
 - d. Track ongoing costs
 - e. Cover debt service
- 3. Start up costs**
 - a. Buying equipment
 - b. Rental deposit
 - c. Other one-time expenses
- 4. How many will you sell for how much?**
 - a. Research
 - i. Industry
 - ii. Competition
 - iii. What sets your business apart from others
 - iv. Potential traffic flow
 - v. Demographics of customers
- 5. Estimating costs of goods sold**
 - a. COGs
- 6. Managing a business**
 - a. Monitoring cash flow
 - b. Make projections
 - c. Identify issues
 - d. Understand accounting
 - e. Invoicing
 - f. Have an emergency backup plan
 - g. Use technology

- i. Accounting systems and online payment

7. Managing Seasonality

8. Growing

- a. Cash
- b. Seek outside funding from a bank or investor
- c. Cover all of your business costs

9. Your Cash Flow Statement

- a. Cash position
- b. 12- month forward-looking cash flow statement
 - i. Cash on hand (beginning period)
 - ii. Total cash available
 - iii. Cash paid out
 - iv. COGs
 - v. Gross wages and payroll expenses
 - vi. Owner draw-salary line
 - vii. Advertising and marketing
 - viii. Total cash paid out
 - ix. Total cash available minus total cost paid out over cash position

10. Making adjustments

- a. Living document

11. What your cash flow statement tells you

- a. assess the viability of a business idea
- b. identify the start up costs
- c. help you make decisions
- d. anticipate potential cash flow problems

12. Creating a cash flow statement

13. Summary