

## What consumes cash?

- Salaries
- Property costs – rent, rates
- Amount of stock purchased
- Amount of time stock is held for
- Stock loss (theft, out of date, lost)
- Interest payments on debt
- Dividend payments to shareholders
- Warehousing & distribution costs
- Capital expenditure
- IT costs
- Marketing costs

## What generates cash?

- Payments received from customers purchasing goods/services
- Margin made on goods/services sold
- Length of time holding stock
  - >(turning stock over more (selling it more often) increases cash flows
- Length of time taken to pay Suppliers
  - >(increasing time taken to pay, increases cash)
- Length of time Suppliers take to pay
  - >(getting suppliers to pay on time or earlier, increases cash)
- Investors putting capital into the business
- Funding from Suppliers
- Making lower purchases
- Higher discounts for purchases