



Lula presents the

# Cashflow Coaching Kit



Master the art of financial cash flow with  
this straight-forward and fun guide.

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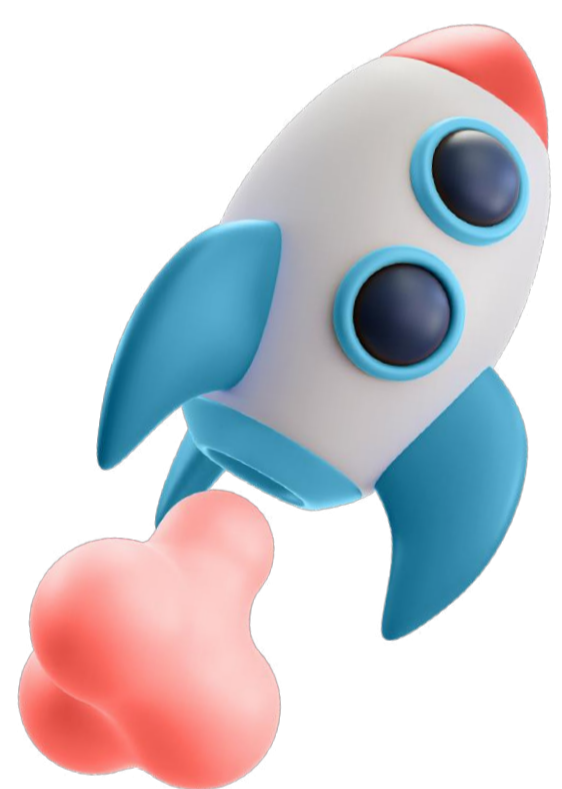
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**\*There are no boring spreadsheets and financial jargon here, just some practical tips and tricks to turn you into a cash flow pro.**



## Why Cash Flow is the King (and Queen, and Jester) of Your Business.

*"Making more money will not solve your problems if cash flow management is your problem."  
– Robert Kiyosaki.*

Have you ever heard of the saying, "Money can't buy you happiness"? In the business world, that translates to 'Making more money won't solve your problems if you can't keep it flowing'. That's where the magic of cash flow comes in. Think of it like the lifeblood of your business, the fuel that keeps your engine running (and your bills paid!).

Remember when you started your business? When you first got all excited about your amazing idea and the expected profits. Well, as we're sure you've come to learn, running a business isn't just about making money. It's about keeping that money around long enough to pay the rent, buy some fancy new office chairs (because, let's be honest, those folding chairs are murder on your back), and maybe even invest in some cool new technology.

That's where cash flow comes in. It's the capital that keeps your business humming, the difference between a thriving venture and struggling or a "closed for business" sign.

### Here's the deal:

- It proves your business has real supporters: Think of cash flow as a vote of confidence from your customers. Money will keep flowing when they support your business, showing everyone you're onto something good.
- It's your problem-solving superhero: Say goodbye to bill-paying panic attacks! You can tackle unexpected expenses with a healthy cash flow. No more sleepless nights wondering if you can afford that next equipment upgrade or keep the lights on. Life gets smoother, and you can focus on what you do best – running your business.
- It fuels your growth: Ever wanted to expand your business, hire a dream team, or launch that next big idea? Cash flow is your answer. It's the key to investing in your business, taking it to the next level, and leaving your competition in the dust.

So, next time you feel overwhelmed by the numbers, remember that cash flow is your friend, guide, and financial compass. Keep it flowing, and watch your business soar.

## Profit vs. Cash Flow: Why Your Business Needs Both to Thrive.

Understanding the nuances between profit and cash flow is crucial in finance, but it's common for them to be mixed up. So, let's break this down.

Imagine your business is a race car. Profit is like that shiny trophy you get if you win the race – your business report card, if you will. But that trophy won't get you to the next race. What you need is fuel.

Profit is what's left after all your expenses are subtracted from your revenue – it's like a scorecard for how well your business is making money and keeping costs in check. Investors and business owners watch profit closely to gauge how well a company is making money and managing costs.

Now, here's the catch – profit doesn't always show you what is really going on in your business. It might look good on paper, but factors like depreciation and amortisation can mess with the bigger picture.



**Tip: Amortisation is like a way of handling loans or assets in accounting. For loans, it's about spreading out the repayment over time. For assets, it's somewhat similar to how we think about depreciation, where we gradually reduce the value of something on the books.**

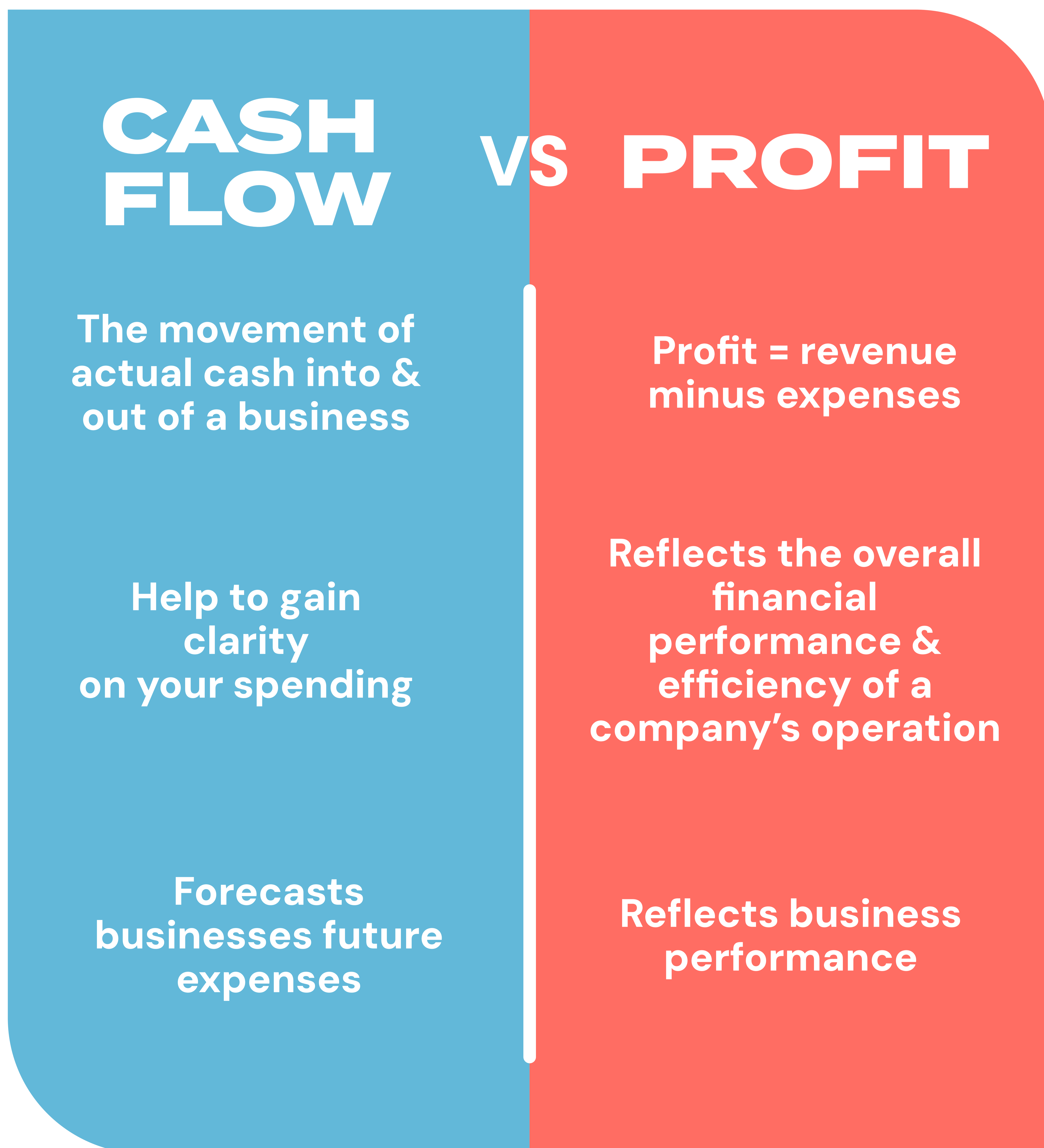
On the flip side, there's cash flow – the fuel your business needs to survive and grow. A positive cash flow means you're raking in more cash than you're shelling out. On the flip side, a negative cash flow tells you that money is going out faster than it's coming in. This metric is crucial because it reveals how much cash you actually have to pay bills, fuel growth, and make your stakeholders happy.

Think of it like this: let's say you're a freelancer, and you do a project for a client. You send the invoice, and they say, "No problem, I'll pay you next week!" Great! You've got profit coming your way, right? But guess what? Until that money hits your bank account, it's not doing you any good.

Yes, you might expect a certain amount of money by a particular date for services rendered, but if it's not reflected in your bank account yet, it's not part of your cash flow.

Late payments from clients or customers can cause your business to have a reduced cash flow. Your business cannot survive by only paying your business expenses; you need to have a good cash flow for the day-to-day expenses and unexpected liabilities.

So, while profit shows you're on the right track, cash flow is the real-deal indicator of your business's financial health—both matter and understanding them to help you navigate your business smoothly.



## Let's reflect on some key takeaways that can help your understanding of cash flow:

**Assess Your Current Cash Position:** Take a moment to evaluate how much cash you currently have on hand or in your business bank account. This will provide you with a clear snapshot of your immediate financial liquidity.

**Consider Cash After Bill Payments:** It's not just about how much money you have; it's crucial to know the amount of cash remaining once your bills are settled. This measure represents the actual funds you have available to invest back into your business, save, or handle unexpected expenses.

**Anticipate Future Revenue:** Projecting your expected revenue is a proactive approach to managing cash flow. Knowing the income you anticipate can help you plan for upcoming expenses and make informed financial decisions.

**Address Unpaid Services:** If you've provided a service but haven't received payment yet, consider where this stands in your financial picture. Distinguish between profit and cash flow; just because a service contributes to your profit doesn't mean the payment is immediately available in your cash flow.

## Cash Flow Cycle: Making Money Move.

Ever feel like your business bank account is on a rollercoaster? One minute, it's overflowing with a big sale. The next, it's sucked dry by a surprise expense. Welcome to the wonderful world of the cash flow cycle, the never-ending merry-go-round where money flows in (inflows) and money flows out (outflows). It's like a game of financial tag; mastering it's the key to keeping your business healthy and happy.

### Let's break down the cycle step by step:

#### 1. The Start of the Ride: Sales & Money

This is the money that is coming into your business. Every sale and purchase adds a chunk of cash to your business bank account. This is your income, the money coming in from your sales. It's like the fuel that keeps the cash flow cycle spinning.



**Tip: Track your income sources. Are you a one-product show, or do you have a diversified portfolio? Knowing where your money comes from helps you understand your financial engine and identify potential weak spots.**

## 2. The Whirlwind: Expenses & The Outflow Drain

Rollercoaster time. An unexpected bill pops up, and you need to buy new equipment or pay your vendors. That's an expense, money you spend to keep your business running. Rent, supplies, salaries – they all count.



**Tip: Track your expenses. Categorise them (rent, materials, marketing) to see where your money is going. This helps you identify areas to cut back or find ways to spend smarter.**

## 3. The Balancing Act: Profit & Your Bank Account

Now, subtract your expenses from your income. If you're left with a positive number, congrats, you've made a profit! That's the sweet spot: the money you can reinvest in your business. But if the number is negative, that's okay, too. One way to get back on track if you're overspending is to either adjust your spending or find ways to increase your income, such as accessing business funding in the form of a revolving credit facility.



**Tip: Calculate your profit margin (profit divided by income). This tells you how much of your income is profit. Aim for a healthy margin, but remember, some businesses have lower margins and rely on volume.**

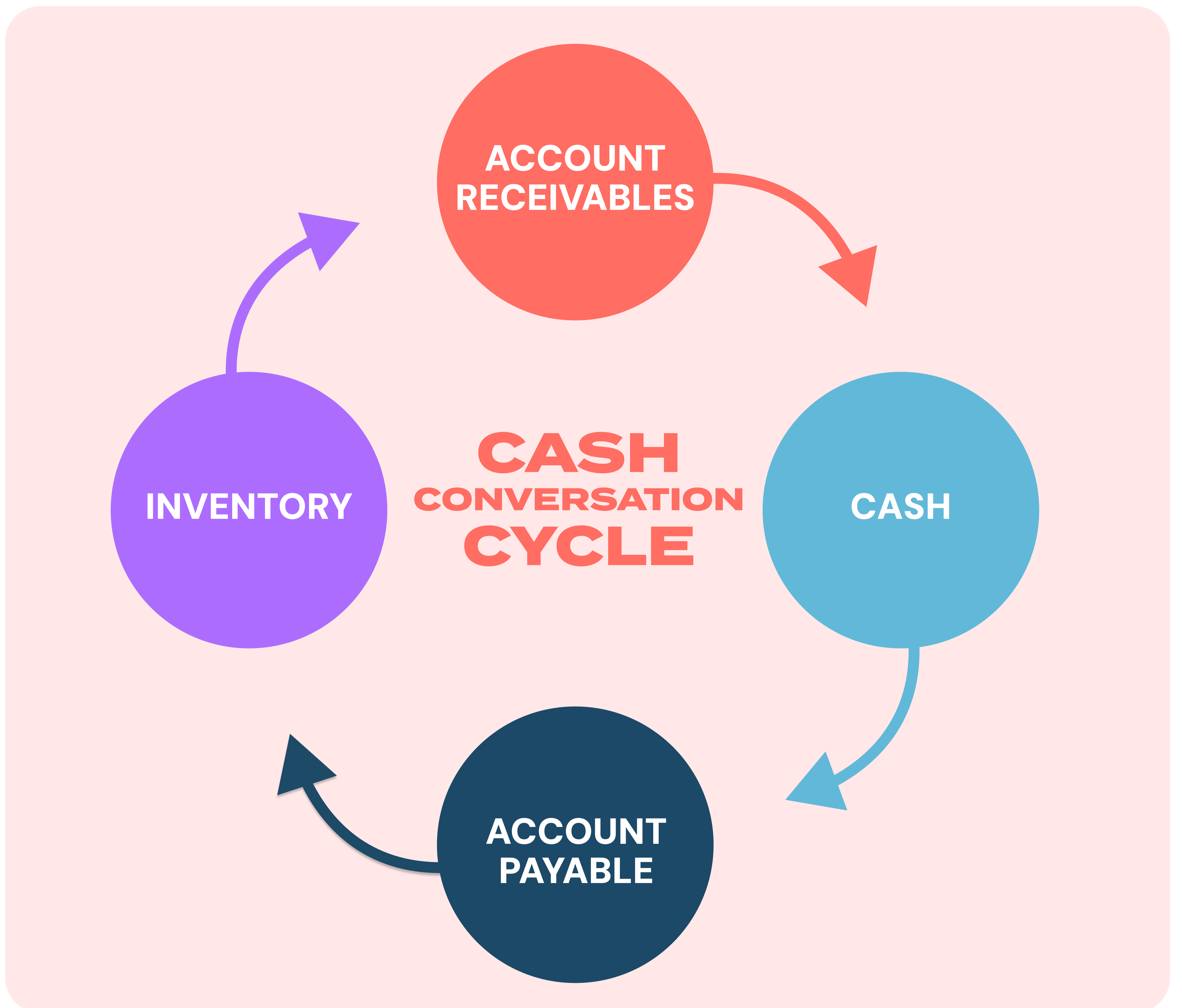
## 4. Rinse & Repeat: The Cycle Never Stops

The cash flow cycle is a continuous loop, a never-ending cycle between inflows and outflows. Sometimes, you'll be on top of the world, feeling like a financial king (or queen!), other times, you might be stuck in a dip. But as long as you understand the cycle, track your numbers, and stay adaptable, you can navigate the ups and downs and keep your business on the right track.

**Bonus Exercise:** Grab a notebook or your favourite cash flow management app like Lulaflow, and map out your cash flow cycle. Take note of your main income sources and expenses. Calculate your profit margin. This is your financial map, your compass to navigating the cash flow jungle.



*“Never take your eyes off the cash flow because it’s the life blood of business.”  
– Richard Branson.”*



## How clued up are you on your business's finances?

**Did you know:** Your business's financial health is not only important for you, the business owner; it can also be of concern to a potential investor or funder.

According to Investopedia, investors can use a cash flow statement to see whether a company's financial health is in a good state because, typically, the more cash available for business operations, the better.

### Okay, so what is a Cash Flow Statement?

A cash flow statement is like a financial report that shows the money coming in and going out of a business over a specific period. It's like keeping tabs on your wallet – knowing how much money you have, where it came from, and where it's going.



## Having a cash flow statement is really important and super useful for SMEs! Here's why:

**Seeing the Big Picture:** A cash flow statement gives you a snapshot of your business's overall financial health. It's not just about how much profit you're making; it's about understanding the actual cash moving through your business.

**Spotting Trends:** By looking at your cash flow over time, you can spot trends. Are there certain months where you always seem to be tight on cash? Knowing this helps you plan better for those periods.

**Paying the Bills:** It helps you see if you have enough cash to cover your bills. Even if you're making a profit, if the money isn't coming in when you need it, you might struggle to pay your expenses.

**Planning for Growth:** Want to expand or buy new equipment? A cash flow statement helps you figure out if you have the money to do it without getting into financial trouble.

**Staying in Control:** Knowing your cash flow keeps you in control. It's like driving a car – you need to check your fuel gauge (cash flow) to make sure you don't run out of gas (money).



**Pro Tip:** Looking to create a cash flow statement? You can find plenty of templates online. Check out [\[Vertex42\]](#), [\[Xero\]](#), and [\[Wise\]](#).

Below are ten questions you should ask yourself to determine how clued up you're on your business's finances.

### Ask yourself these questions to see if your business is financially healthy.

#### Answer: Yes/ No

1. Is your income more than your expenses?
2. Do you have enough cash to meet obligations like payroll, rent and other expenses?
3. Do you have cash in hand (or in the bank) if something unexpected occurs?
4. Can you contract a freelancer (or two) if an unexpected project/ opportunity comes your way?
5. Do you have a cash flow management tool?
6. Do you know how much tax your company must pay annually?
7. If a client pays you late, can you pay your monthly expenses on time?
8. Are you using accounting software or Excel/ Google Sheets to keep track of your financial records?
9. Does your financial record reflect receipts, statements, invoices, and purchase orders?
10. Do you have realistic forecasts and cash flow for your business's future?

If you have said "no" to more than two of these questions, you should review your business's financial health, including your cash flow management!

## Cash Flow Forecasting: Peeking into Your Business's Future (Without the Crystal Ball).

Remember that race car we talked about in the last chapter? Well, imagine you're the driver and want to ensure you don't run out of fuel in the middle of your next race. That's where cash flow forecasting comes in – it's like peering into your business crystal ball, seeing how much "fuel" (aka cash) you'll have on hand in the future.

By forecasting your cash flow, you can avoid running out of fuel. That means no more sleepless nights worried about paying the rent or keeping the lights on.

### How do we do this cash flow forecasting?

It's all about using some simple tools and a bit of good old-fashioned common sense. Here are some tips to get you started:

**1. Gather your intel:** Think of your past bank statements and invoices as your business's treasure maps. Track your income and expenses for the past few months – how much came in and went out, and where did it all go? This gives you a baseline understanding of your cash flow rhythm.



**Tip: Include less obvious costs such as insurance, legal fees, regulatory fees, and rent.**

**2. Predict the future:** Maybe not the whole future, but you can make some educated guesses based on your past data and current trends. Are you expecting a seasonal surge in sales? Planning a big marketing campaign? Factor these things into your forecast.



**Tip: You should identify quarters or periods when you can increase your revenue. Aiming for consistent demand throughout the year and avoiding relying on a single client or sector is important. You'll need to gather data from external sources, such as industry-specific organisations, national statistics departments, news outlets, and public information. This will help you to make informed decisions about your business and increase your chances of success.**

**3. Use some handy tools:** Don't get overwhelmed by spreadsheets and calculations. Plenty of free and user-friendly apps and online tools can help you forecast your cash flow in a blink. Some amazing tools for SMEs include Xero, Quickbooks, Invoiced and Lulaflow.



**Tip:** [\[Lulaflow\]](#) is Lula's powerful cash flow manager that helps you effortlessly track and manage your cash flow in one place.

**4. Don't be afraid to adjust:** Remember, the future isn't set in stone. Things can change, and your cash flow forecast needs to be flexible. If you see a sudden influx of customers, adjust your forecast to reflect that. And if it gets a little quiet, adjust your plans accordingly.



**Tip:** Get your team involved! Forecasting isn't just a solo act. Talk to your employees, suppliers, and even customers. They all have valuable insights to help you predict your cash flow and make informed decisions.



**Bonus Tip:** Don't be afraid to prepare for the future by considering the possibility of financial difficulties and taking into account the need for business funding. If you know there are times when you typically experience cash flow issues, create a plan that allows for quick and dependable access to funding. [Lula's funding page](#)

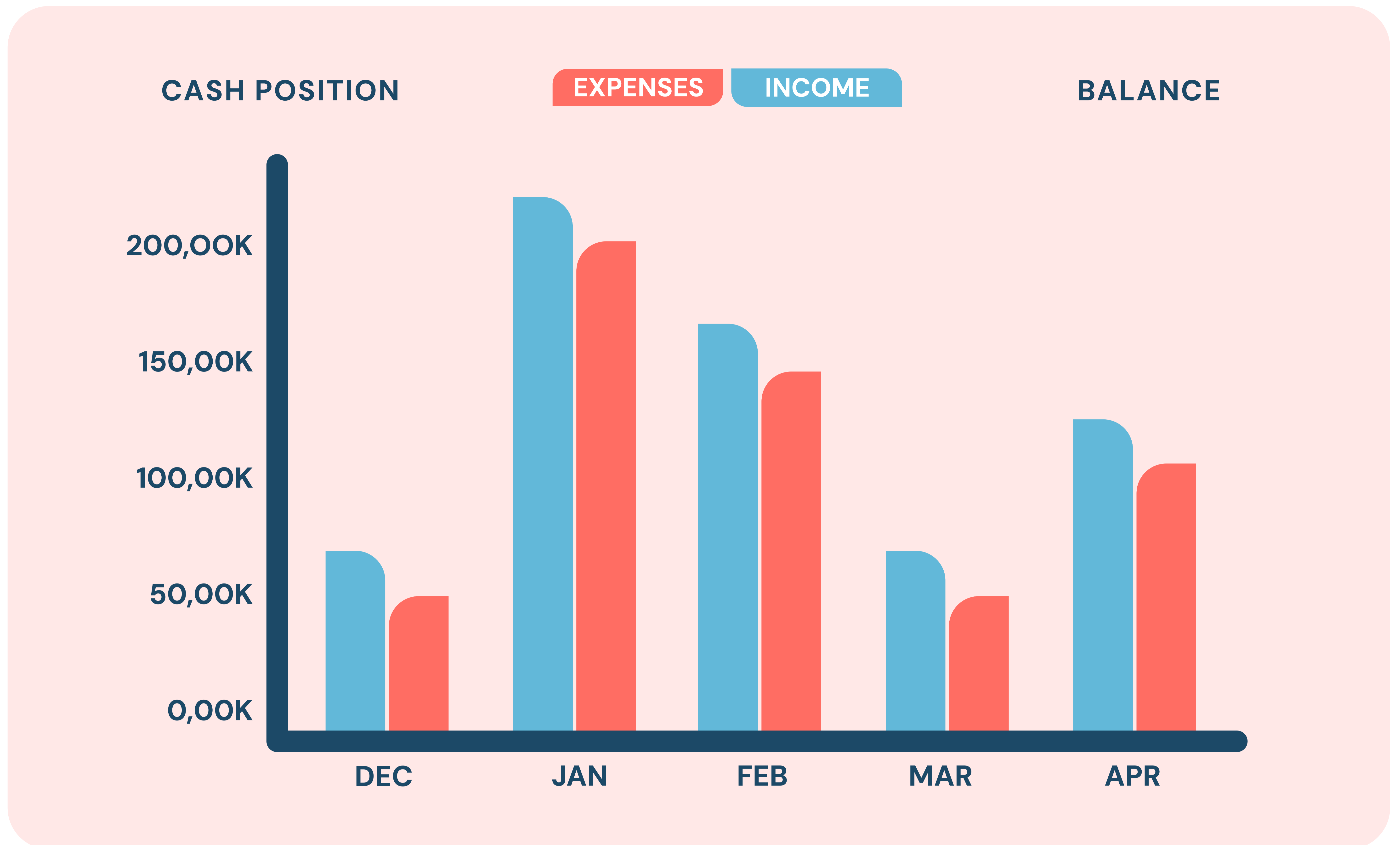
Remember, cash flow forecasting isn't about being perfect – it's about being prepared. By taking the time to understand your financial situation and plan for the future, you can avoid those nasty cash flow surprises and keep your business thriving.

**Exercise:** Grab a pen and paper (or your favourite forecasting app) and try creating a simple cash flow forecast for the next month. Include your expected income from sales, factor in your regular expenses, and see how much money you'll have left. You might be surprised at what you discover!



*"We were always focused on our profit and loss statement. But cash flow was not a regularly discussed topic. It was as if we were driving along, watching only the speedometer, when in fact we were running out of gas." – Michael Dell – founder and CEO, Dell Technologies"*

A cash flow forecast example:



To determine your cash flow forecast, you need to write down and calculate the following:

$$\text{Money in the bank (start of the month)} + \text{Money received (inflow)} - \text{Money paid (outflow)} = \text{Money in the bank (at month end)}$$

Here's a template that shows you how to start mapping out the estimates of money coming into and going out of your business:

<b>Opening balance</b>	<b>R5,000,000</b>
<b>CASH INFLOWS</b>	
Sales	+R750,000
Receivables collections	+R125,000
<b>Total inflows</b>	<b>+R875,000</b>
<b>CASH OUTFLOWS</b>	
Marketing	-R75,000
Raw materials	-R100,000
Wages	-R250,000
<b>Total outflows</b>	<b>-R425,000</b>
<b>Net cash flow</b>	<b>+R450,000</b>
<b>Closing cash balance</b>	<b>R5,450,000</b>

# Cashflow

Cash flow forecast	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Money in the bank (start of the month)													
Money received (inflow)													
Total receipts													
Money paid (outflow)													
Total payments													
Receipts less payments													
Money in the bank (at end of the month)													



Download this cashflow template to help manage your cash flow like a pro.

# Boost Your Cash Flow: From Trickle to Torrent.

Cash flow – the lifeblood of your business. It's the fuel that keeps your engine running, turning ideas into reality. But sometimes, it feels more like a slow drip than a gushing torrent.

## Here are five strategies you can use to boost your cash flow:

### 1. Speed Up Your Cash Inflow:

- **Get Paid Fast:** Embrace upfront payments, like Lulapay, a buy-now-pay-later facility that allows you to get paid instantly while giving your customers up to six months to pay or cash on delivery options. Early bird discounts are your friend – incentivise quick payments with deals and offers.
- **Invoice Promptly:** Send invoices promptly and follow up politely but persistently. Late payments? Don't be afraid to have a friendly chat – sometimes, a gentle reminder is all it takes.

### 2. Slow Down Your Cash Outflow:

- **Negotiate Like a Pro:** Talk to your suppliers. Can you stretch out payment terms? Any bulk discounts for prepayments? Remember, a little negotiation can go a long way.
- **Pay Strategically:** Don't rush to pay bills the second they arrive. Stick to agreed terms, but optimise your payment schedule to maximise your cash flow. The longer you keep your money in your bank account, the more you can earn through interest, especially if you have the right business bank account and maintain a sufficient monthly balance.

### 3. Unleash the Power of Assets:

- **Sell the Surplus:** Dust off those unused tools, that extra vehicle collecting cobwebs. Selling unused assets can inject a quick cash boost into your business.
- **Don't put all your eggs in one basket.** Diversify your cash flow portfolio to avoid relying on a single source, product, or market.

### 4. Go Digital and Global:

- **Website Wonderland:** Build an online presence. A user-friendly website and social media buzz can attract customers from all corners, opening up new revenue streams.


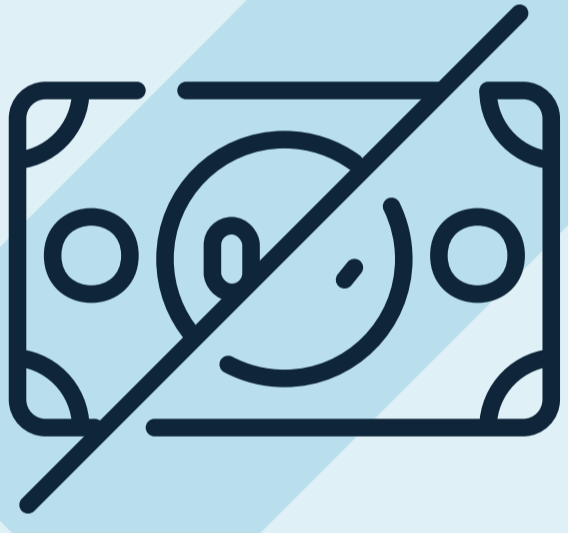

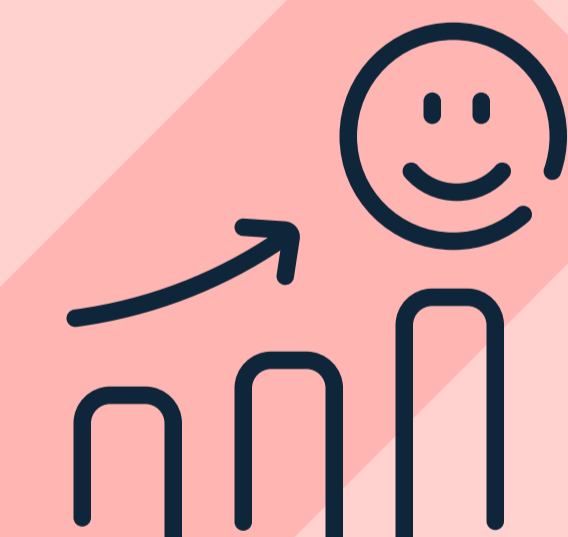
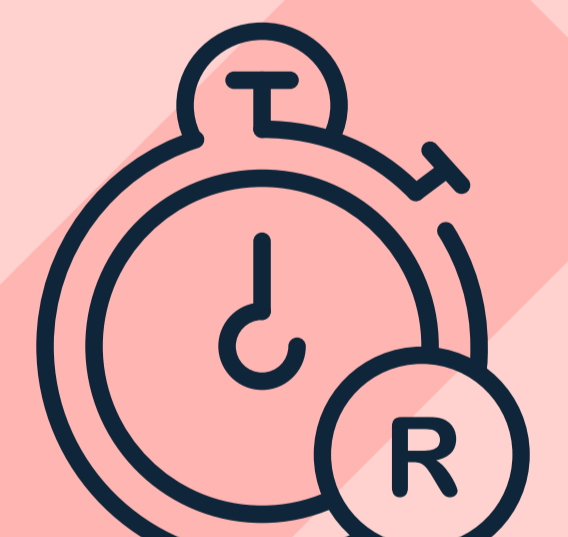
- Website hosting sites like WordPress, Squarespace, Wix, and Shopify are user-friendly and easy to navigate while being relatively cost-effective in the long run.
- Payment Powerhouse: Don't limit your options. Accepting various payment methods – EFTs, cards, mobile wallets – makes it easy for customers to say "yes" with convenience.

## 5. Build Your Financial Fortress:

- Plan for the Unexpected: It's always a good idea to have a backup plan in case of unforeseen circumstances. You may want to consider obtaining a credit line from your bank or exploring business funding options like Lula, the first dedicated SME platform in South Africa. Look into funding options such as revolving capital facility and capital advance, and make sure you have all the necessary documents ready for a smooth application process should you need to apply for business funding.

A little financial security can go a long way in ensuring the success and stability of your business.

## Capital Facility Vs Capital Advance

1  Instant access to capital. No need to reapply.	2  Only pay for what you use, if you use it.	3  No monthly account or admin fees.	4  Link your bank account. No forms. Faster funds.
1  Apply online in minutes.	2  Transparent cost allow you to plan with certainty.	3  Repay early and save. No early repayment penalties.	4  We work at the speed of business to get you funded, fast.



**Bonus Tip: Track your progress! Monitor your cash flow, analyse what works and what doesn't, and adapt your strategies like a financial chameleon.**

Remember, boosting your cash flow isn't about magic tricks. It's about smart choices and proactive planning.

# Mastering Cash Flow Management



## Strategic Moves in Cash Flow – Balancing Expenses and Inventory.

Managing your cash flow is a lot like playing chess. Your expenses are the strategic moves you make on the board, and your inventory is the array of unique pieces. And, like a well-thought-out chess strategy, managing these elements effectively ensures that your cash flow doesn't end up in checkmate.

### Expense 101:

- **Track down the sneaky spenders:** List out every single expense, from the obvious rent & salaries to the sneaky expenses like office lunches and work parking costs.
- **Negotiate like a pro:** Haggle with suppliers, renegotiate contracts, and see if you can squeeze some savings out of those monthly bills. Every rand saved is an extra rand in your pocket!
- **DIY or Buy? Choose wisely:** Sometimes, rolling up your sleeves and doing things yourself can save money. Need new marketing materials? You could unleash your inner designer instead of outsourcing the design. Just make sure DIY doesn't turn into a time-sucking monster – sometimes, paying a pro is worth it.
- **Technology to the rescue:** Embrace new tech! Use budgeting apps, expense trackers, and automation tools to monitor your spending.

### Inventory 102:

- **Know your numbers:** How much stock do you really need? Don't hoard – overstocking leads to dead products and cash stuck in limbo. Analyse your sales data, understand your customer trends, and order smart.



**Tip:** Explore analytics applications tailored to your business, like [\[Google Analytics\]](#), [\[Mixpanel\]](#), or [\[Amplitude\]](#). These apps provide in-depth insights into user behaviour, helping you understand how customers interact with your online presence.



- **First in, first out, please:** Imagine you have a shelf filled with products, and you want to sell them. FIFO, or "first in, first out," is a simple inventory management method to manage what you sell. **Picture it like this** – the items you put on the shelf first are also the ones you sell first. So, even if you buy new items at different prices later on, you always assume you're selling the oldest ones first. When you calculate the value of what's left on the shelf, you use the cost of those oldest items, regardless of any price changes that might have happened since then.
- **Befriend discounts:** Don't let expiring inventory become your kryptonite. Offer clearance sales, bundle deals, or get creative with promotions. Sometimes, letting go at a discount is better than clinging to dead stock and watching your cash flow dip.
- **Embrace the power of forecasting:** Use your sales history and market trends to predict future demand. This way, you can order just the right amount of inventory, avoiding cash-draining overstocking and panic-induced understocking.

Remember, taming these cash flow beasts takes time and effort. But trust us, the rewards are worth it. A healthy cash flow means a happier you, a more stable business, and the freedom to chase your entrepreneurial dreams without worrying about where the next paycheck comes from.



**Bonus Tip: Feeling overwhelmed? Break down your expense and inventory goals into smaller, actionable steps. Celebrating small wins will motivate you and keep you going in the right direction.**

## Credit Control & Sales Strategies

**Let's face it:** chasing overdue payments can feel like trying to herd cats. It's frustrating, time-consuming, and, frankly, overwhelming. This chapter is all about smart credit control – a smooth blend of firmness and finesse.

### Step 1: Be Crystal Clear from the Start.

Don't leave your payment terms shrouded in mystery. Spell them out loud and proud in invoices, contracts, and even on that giant banner hanging behind your receptionist (okay, maybe not the banner, but you get the idea). Clear communication is key to avoiding confusion and late payments.

## Step 2: Early Bird Gets the Worm (and the Cash).

Offer discounts for early payments. Think of it as a reward for those speedy spenders who fuel your cash flow rocket. A little incentive can go a long way, and besides, wouldn't you rather get your hands on that money now than chase it down later?

## Step 3: The Gentle Reminder.

It's all in the Delivery. Sending a friendly reminder about an overdue payment doesn't have to involve sending smoke signals or carrier pigeons. An email or a quick phone call can do the trick. Keep it professional, polite, and focused on finding a solution. Remember, you're building relationships, not starting feuds.

## Step 4: Time to Get Tough (But Still Be Nice).

Okay, so the gentle reminders didn't work. No worries, we all have that one friend who "forgets" to pay back the hundred rand they borrowed years ago. This is where things get a little sterner. Send a formal late payment notice outlining the consequences of continued non-payment (interest charges, legal action, etc.). But even here, keep it professional and avoid sounding like a debt collector.

## Sales Strategies: Turning Browsers into Buyers and Doubling Down on the Cash Flow

Let's flip the coin and focus on the other side: bringing in cash!

### Here are some sales strategies to make your cash flow sing:

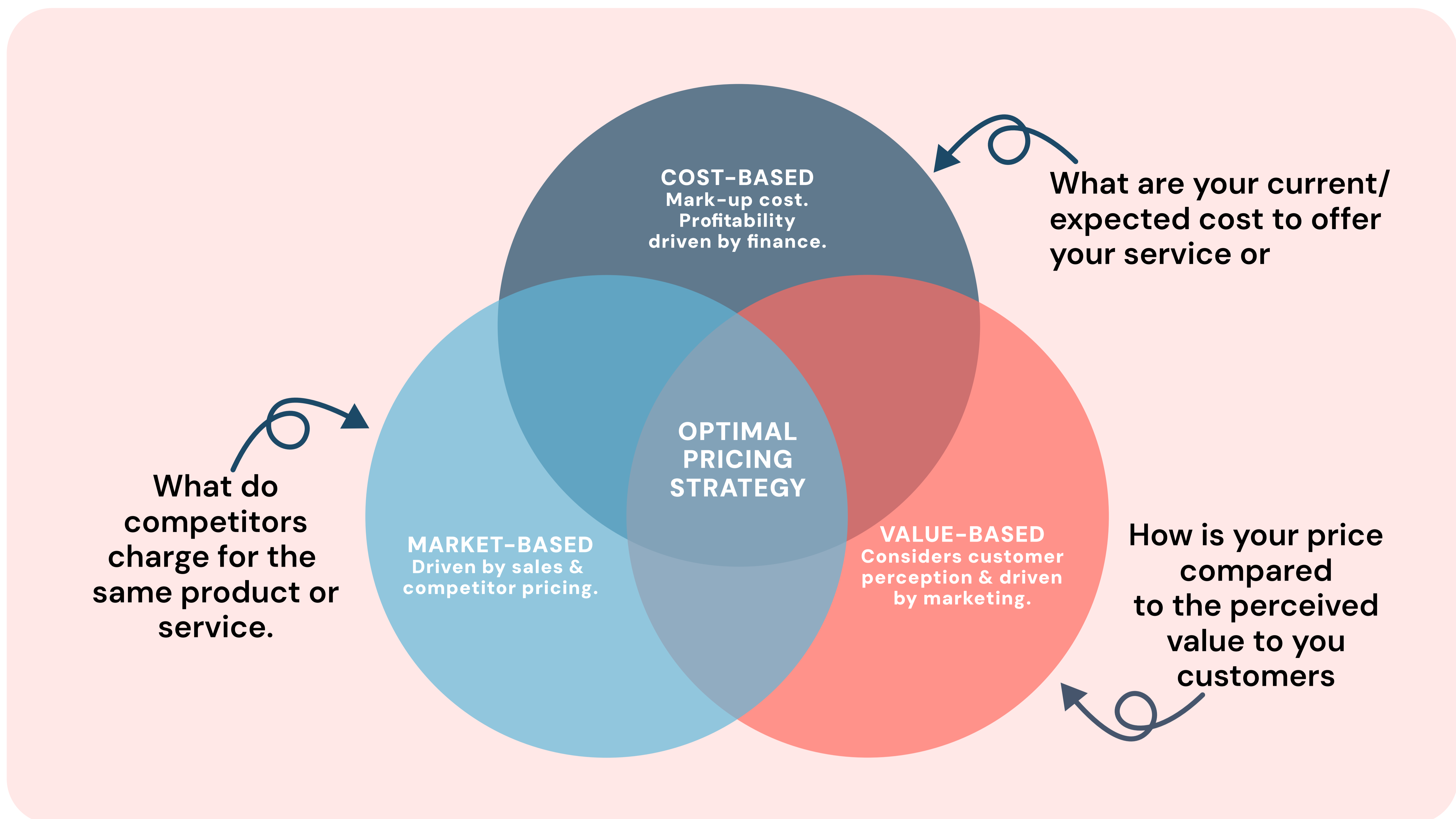
#### Step 1: Know Your Value. Don't underestimate the power of confidence.

Be crystal clear about what makes your product or service excellent, and communicate that value to your audience in a way that makes them sit up and say, "I need that!"



**Tip: Price for Value, Not Just Cost.** When determining your product or service prices, consider the value it brings to customers, not just your costs. Understand what sets your offering apart and how much customers are willing to pay for that uniqueness. This ensures a fair return for your efforts and a pricing structure that supports sustainable profitability.

Remember, customers often pay more for something that provides significant value or solves a specific problem.



## Step 2: Offer Something Extra Special.

Think of it as the cherry on top of the sundae. It could be a free consultation, a bonus product, or a limited-time discount. Give your potential customers that extra nudge they need to leap from browsing to buying.

## Step 3: Build Relationships, Not Just Transactions.

Let's face it: people like doing business with people they like. Be friendly, approachable, and genuinely interested in your customers' needs. It builds trust and loyalty, and guess what? Repeat business, which means more cash flow!

## Step 4: Get Creative with Your Sales Channels.

Don't just rely on the same old brick-and-mortar store or outdated website. Think outside the box! Sell online, partner with other businesses, offer pop-up shops, or even host fun events to showcase your products. The more ways you connect with potential customers, the more opportunities you have to turn them into loyal customers.



**Bonus Tip: Remember, data is your friend! Track your sales figures, analyse what's working and not, and use that information to refine your strategies. [Zoho] and [Salesforce] are some great applications you can use to track and analyse your sales.**

Remember, boosting cash flow isn't just about squeezing every last cent out of your customers. It's about building a sustainable, thriving business that offers value, builds relationships, and keeps the cash flowing.



## Building Customer Loyalty: The Key to Sustainable Cash Flow.

We've been talking non-stop about cash flow, but here's the thing: sustainable cash flow isn't just about juggling bills and squeezing every rand from your sales. It's about building a loyal customer base who keeps returning for more (and bringing their friends!).

### So, how do we turn those fleeting customers into loyal supporters?

First, treat your customers like royalty. Offer exceptional service that makes them feel like they're the only person in the room (even if you have a million other orders to fill). Listen to their needs, respond quickly, and go the extra mile – remember, happy customers are repeat customers, and repeat customers are cash-flow champions!

Next, make their experience unforgettable. It's not just about selling stuff; it's about creating memories. Think of a time when you had exceptional customer service. It might not have been the product or service itself, but the overall experience that made it memorable. That's the kind of experience that sticks and makes you tell your friends and come back for more.

Now, let's get strategic. Offer loyalty programs, exclusive VIP deals, and early access to new products. Make your customers feel like part of the club, a special circle of insiders who get the best of the best. Bonus points if you personalise these programs – nobody wants to feel like just another number on a spreadsheet.

Finally, remember, loyalty is a two-way street. Show your customers you appreciate them. Send thank-you emails, celebrate their birthdays, and ask for their feedback. Engaged customers are loyal customers, and loyal customers will keep coming back and swiping their cards.

So, there it is. The secret weapon for sustainable cash flow: customer loyalty. Treat them like royalty, create unforgettable experiences, build loyalty, and show appreciation. Remember, happy customers are not just good for your soul. They're the key to a thriving business and cash flow that sings.

## Ensuring Financial Flexibility: Just Fund It.

The business landscape is dynamic. One moment, things are up, and the next, it's down. Uncertainties are inevitable, that's just how it goes, so building cash flow resilience requires more than just monitoring expenses and optimising your revenue streams.

One key element to consider is securing access to additional funding that can be tapped into as needed when needed. This chapter explores the importance of access to business funding and how it contributes to overall financial resilience.

Business funding acts as a financial safety net, allowing you to respond promptly to unexpected expenses, capitalise on growth opportunities, or navigate challenging periods without disruption.

The hallmark of a good business funding facility, like Lulalends Capital Advance, is its fast availability, unlike traditional loans that often involve lengthy approval processes.

## The Role of Funding in Cash Flow Resilience.

### Emergency Fund:

You've got your emergency fund, right? (if not, make this the year you start your fund!) Well, think of funding as the sidekick that jumps in with extra support when unexpected challenges hit. It's that extra layer of financial armour that gives you a bit more room to breathe when times get tough.

### Seizing Opportunities:

Picture this: a golden opportunity drops in your lap. Maybe there's an amazing deal on inventory, or the market is going crazy for what you've got. Opportunities are like impatient guests; they don't wait around. That's where business funding comes in handy, giving you the power to grab those chances by the horns. Whether it's expanding your business or meeting a sudden spike in demand, funding's got your back.

## Smoothing Cash Flow Highs and Lows:

Cash flow. It goes up, it goes down – it's like a rollercoaster. But fear not because here's where your trusty business funding steps in. Think of it as the stabiliser that keeps your business ship sailing smoothly through those cash flow storms. It helps you keep the lights on during lean times until the cash starts flowing again.

## Embracing Technology: Tools for Cash Flow

Remember those days hunched over spreadsheets, squinting at numbers, and hoping you haven't made a typo that throws your entire budget into a financial black hole? We've all been there. Technology is here to rescue you from spreadsheets and simplify managing your cash flow.

### Here's your Tech Toolbox for Cash Flow Mastery:

**Accounting Software:** [\[QuickBooks\]](#), Xero, [\[FreshBooks\]](#) – these are your financial time savers for tracking your income, expenses, and more.

**Invoicing Apps That Make Life Easier:** Forget chasing down late payments like a debt collector. Apps like Zoho Invoice and [\[Invoice2Go\]](#) let you send invoices quickly, track their status, and even accept online payments. You can even set up automatic reminders for your forgetful clients (no judgment; we've all been there!).

**Expense Tracking Apps for the Budget-Conscious:** Mint, PocketGuard, [\[Buxfer\]](#) and Sage – these help track every rand you spend—Categorise expenses, set budgets, and spot spending leaks that could drain your cash flow.

**Online Banking for the on-the-go:** Most banks have digital platforms that let you check your balance, transfer funds, and even pay bills – all from the comfort of your couch (or the beach, if that's your thing). No more scrambling to the bank before closing time. Embrace the digital revolution with [Lula's fully digital bank accounts tailored to SMEs and their needs](#). They offer two business bank accounts, [one for start-ups \(it's free!\)](#), and [one for more established businesses](#).

**Data Analytics for the Numbers-Ninjas:** Want to see your cash flow sing as it should? Tools like Domo and [\[Power BI\]](#) take your raw data and turn it into beautiful dashboards and charts. You'll see trends, patterns, and hidden gems that can help you make smarter financial decisions.

Remember, technology is just a tool – the real power lies in how you use it. Don't get overwhelmed by all the bells and whistles. Start with one or two apps, learn the ropes, and slowly build your tech arsenal as your business grows.



**Bonus Tip:** [\[Lulaflow\]](#) is a powerful cash flow management tool that allows you to effortlessly track and manage your cash flow in one place.

## Financial Calendar

 Upcoming invoice

 Invoice overdue

### JUNE 2022

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



# Securing Your Business Future

## Financial Planning & Goal Setting: Investing for Growth.

**Imagine this:** You've planted a tiny seed, a vision for your business bursting with potential. You water it, nurture it, watch it sprout. But it needs more than sunshine and good intentions to become a mighty oak. That's where financial planning and goal setting come in – it's your growth recipe.

Think of your goals as those fruits you want your tree to bear. It could be expanding your team, launching a new product line, or entering a new market. Whatever your vision, planning and investing pave the way.

But hold on; let's not get all tangled up in spreadsheets and jargon. Investing your money doesn't mean throwing it at the stock market blindfolded (unless you're into that sort of thing, in which case, more power to you!). It's about making smart choices with your hard-earned cash to fuel your business growth.

**Here's the good news:** Investing can be as simple as putting away some pocket change each week. Picture it: that latte money you usually spend could become the seed fund for your next big project. Every little bit adds up.

Now, let's break down the essentials of planning and investing because we're all about making this practical:

### Step 1: Dream Big, Then Break it Down.

Grab a coffee or tea (preferably homemade – after all, we're trying to save), and get scribbling. What are your big business goals? Write them down. Then, chop them into smaller, more manageable milestones. Think of it like climbing Mount Everest – you wouldn't just strap on your crampons and start scaling, right? You'd plan your route, set up camp, and celebrate each climb towards the summit.



## Step 2: Budget Like The Boss You Are.

This part might sound scary, but it can be liberating. Figure out how much money you have coming in and going out. You can use platforms like Lulaflow or a good old-fashioned notebook – whatever works for you. Just be honest with yourself. Knowing where your money goes is the first step to making it work for you.

## Step 3: Invest Wisely.

There are a million ways to invest your business money, so research and pick something that suits your risk appetite and growth goals. You could set up a savings account for a new product launch, invest in equipment or new technology, or even consider crowdfunding for your next big project. Diversification is key.

## Step 4: Track & Re-evaluate.

Investing isn't a one-time thing. Check-in on your progress regularly. Are you reaching your milestones? Is your money working hard for you? Don't be afraid to adjust your plan as you go.

Remember, financial planning and investing are all about taking control and building a brighter future for your business. It's like tending to your little oak tree, watching it grow tall and strong. With some planning, smart investments, and passion, you can make your business dreams a reality.

# Setting Up Your Business's Financial Safety Net.

## Prepare for the Rainy Days (and Maybe a Few Hurricanes)

Remember those cheesy disaster movies where the hero survives because they built a secret underground fortress stocked with snacks and survival gear? That's basically what setting up a financial safety net for your business is all about – preparing for when the world throws unexpected curveballs (think leaky roofs, surprise tax bills, or even zombie invasions if you're feeling particularly dramatic).

We know what you're thinking: "Loans and safety nets? Aren't those just band-aids for bad financial planning?" Not necessarily. A well-structured safety net isn't a quick fix; it's like a trusty raincoat you grab before leaving the house. It might not stop the storm, but it will keep you dry and ready to face whatever comes your way.

## Here's why it matters for your business:

- **Risk Mitigation:** A safety net acts as a buffer against unexpected financial shocks, such as economic downturns, unexpected expenses, or sudden market changes.
- **Opportunity Seizure:** On the flip side, it positions your business to seize unexpected opportunities, whether it's a chance to expand, invest in innovation, or navigate a sudden surge in demand.

## Components of Your Financial Safety Net:

### Emergency Fund:

Establish an emergency fund that covers at least three to three–six months' worth of operating expenses. This fund should be easily accessible for immediate use in case of unexpected challenges. Start small; even a few rands a week adds up, and remember, every little bit counts.

### Business Insurance:

Evaluate and invest in suitable business insurance. This can include property insurance, liability insurance, and other specialised coverage based on your industry. Insurance provides an extra layer of protection against unforeseen events. There are many options to choose from, including Discovery, Miway, Momentum and more. Do your research and pick the one that suits your needs.

### Business Funding:

Secure funding options. This could involve applying for a revolving capital facility or revolving credit, as it is sometimes known, or establishing relationships with investors. Having access to additional capital can be a lifeline during cash flow crunches or when capitalising on growth opportunities.

## Useful Resources for South African SMEs

### Lula

Lula is SA's first dedicated SME banking platform. They provide business funding solutions for SMEs in South Africa, offering quick and convenient access to working capital.

## **HubSpot Academy**

This is a free online training portal that provides quick practical courses and more in-depth training for professionals in inbound marketing, sales, and customer service to enhance their careers and businesses with certification.

## **Vertex42**

Vertex42 offers free high-quality templates for Microsoft Office, Open Office and Google Sheets. The collection includes budget, invoice, payroll, spreadsheet, timesheet templates, as well as calculators and calendars.

## **National Small Business Chamber (NSBC)**

NSBC is a valuable resource offering support, networking opportunities, and access to business development tools for small businesses in South Africa.

## **Small Enterprise Development Agency (SEDA)**

SEDA provides business development and support services to small enterprises, including training, mentorship, and access to finance.

## **South African Institute of Chartered Accountants (SAICA) SME Hub**

SAICA's SME Hub offers resources, guidance, and tools to help small businesses with financial management, compliance, and business growth.

## **SME South Africa**

SME South Africa is an online platform providing news, insights, and resources tailored for small and medium-sized enterprises in South Africa.

## **Government Funding and Grants for Small Businesses**

The South African government offers various funding and grant programs to support SMEs.

## **SA Biz Plans**

SA Biz Plans offers professional business plan services, financial modelling, and advisory support to assist SMEs in South Africa in planning for growth and attracting investment.

Lula has built innovative fintech products to help SMEs make cash flow. They partner with South Africa's leading financial institutions to do it. Mastercard issues your Lula business card. Access Bank, their alliance banking partner, makes your Lula business bank account possible.

## **Here is a list of frequently asked questions about Lula's business funding application:**

### **What do I need to apply for the business funding from Lula?**

- Your business must have been in operation for a minimum of 12 months.
- Your business must have an annual turnover of R500,000.
- Your personal and business credit will be evaluated.

### **How can I afford the repayment terms?**

- You can try out [\[Lula's business funding calculator\]](#), which is available online – on the website.
- You can select a repayment period of 3, 6, 9, or 12 months, and the funding amount options range from R10,000 to R5 million.
- The monthly repayment costs for Lula are usually between 2% and 6% of the advanced amount for the first 1 to 4 months, depending on the plan. After that, it will be 2% for each remaining month. If you settle your advance early, you will not have to pay additional monthly costs or early repayment penalty fees.

### **What information will Lula need from me – when completing the application?**

- You need to provide some basic information, such as the purpose of the loan, the desired amount, and the repayment period.
- You can either upload your recent bank statements or link your bank account to allow access to your read-only transaction data.
- If you would like to speak with someone regarding your application, you can contact Lula at **087 250 0014**.

### **Before you make the application for business funding, ask yourself the following:**

- What do I want to use cash (business loan/funding) for?
- How much cash do I need?
- After trying out the business funding calculator, which amount can I pay back per month, and how many months will I pay back the loan?

# Make Cash Flow



**Lula.co.za**  
Fast. Simple. Lula.