

Financial training For non financial staff



The financial training specialists

Eating out of the freezer (cashflow)

A friend told us how she doesn't go shopping in January; she just eats up what's in the freezer and kitchen cupboards. We thought we'd give it a go as well, and we're still doing it in February – we barely made a dent in January.

The result is lots more money in our bank account because we haven't been buying much food. I'm guessing we've probably got £200 to £300 of food in the freezer and cupboards. Have a go yourself and see how much you save!

But take the same idea to work as well. Look in the warehouse. How much raw materials and finished goods are in stock? What's the plan for using it or selling it? Until you do, the cash is in the warehouse, not in the bank account.

If you're in a service business (like an accountancy or legal firm) you won't have any stock to speak of, but what about work in progress? That's all the part completed jobs: you've done some work but haven't yet invoiced it. What's the plan for getting it invoiced and getting the money into the bank?

So, both at home and at work, how much have you got locked away in stock? What's your plan for shifting it and getting the money back where you want it: in your bank account?