

# Cash Flow, Investment and Efficiency for your Future Success



Driving Business Performance

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**The role of a business leader is now more like ‘Designer-in-Chief.’ Rather than having all the answers, you need to ask the right questions to inspire a creative response from the team.**

# Presentation Agenda



Cash Flow

Investment

Future Success

**DUNCAN BOYLE**  
**Business Improvement**  
**Specialist - Speaker**



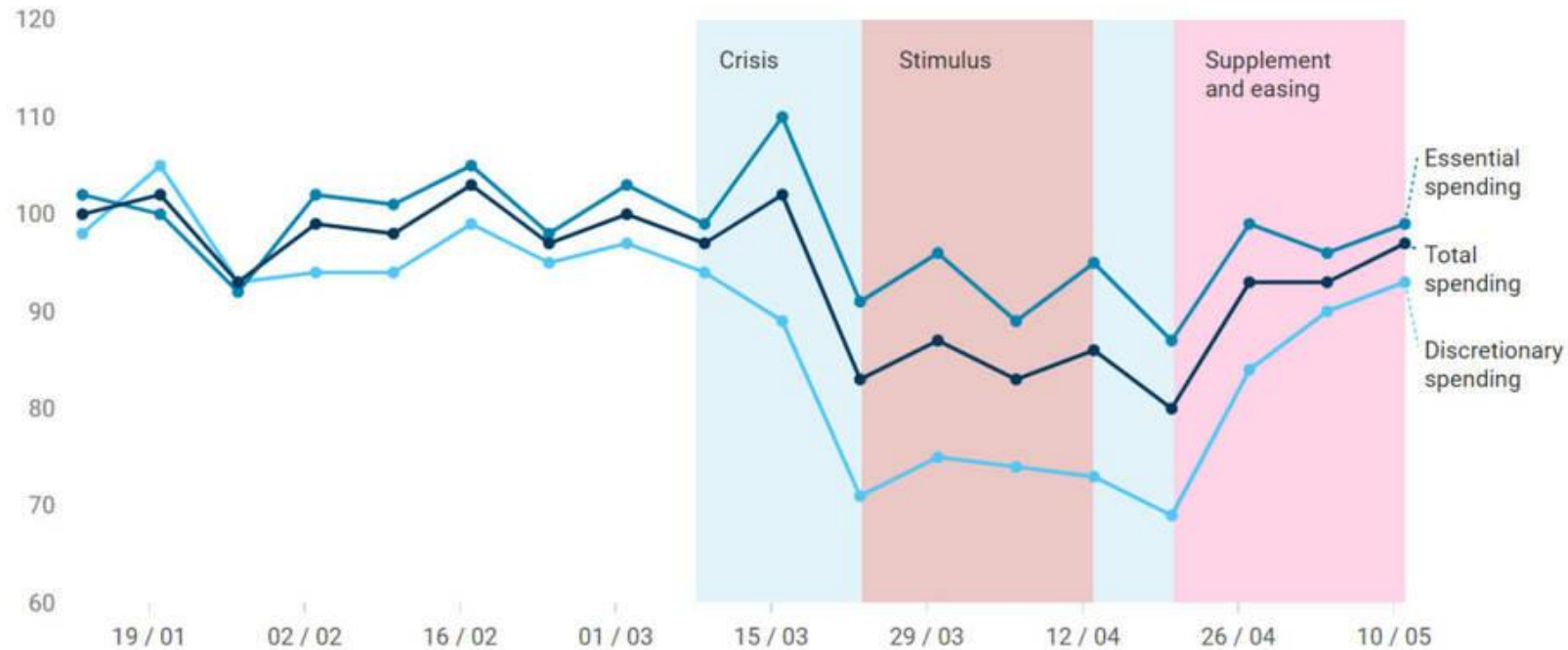
**Don't let isolation become insulation.**

**If you don't know what day it is, it's *Blursday*—when Monday feels like Friday that feels like Wednesday.**

New [real-time data from illion and AlphaBeta](#) shows that spending is returning to normal, at just 3% below pre-crisis levels.

### May 11-17: Returning to normal; Spending now just 3% below pre-crisis levels

Weekly index of consumption per person, 100 = normal weekly base excluding Xmas



Based on a weekly sample of the transactions of c.250,000 Australian consumers

Chart: Created by illion & AlphaBeta (part of Accenture) • [Get the data](#)



# Shape Your Company's Future

# The key question: how do we shape the future?

***“Must have a plan, do nothing without a plan”***

- ❖ *Understand where you are today*
  - *Reality V's Perception*
- ❖ *Set direction & priorities*
- ❖ *Get everyone on the same page*
  - *Support team – team members, business coaches and accountants, etc*
- ❖ *Simplify decision making process*
- ❖ *Provide communication & create alignment*

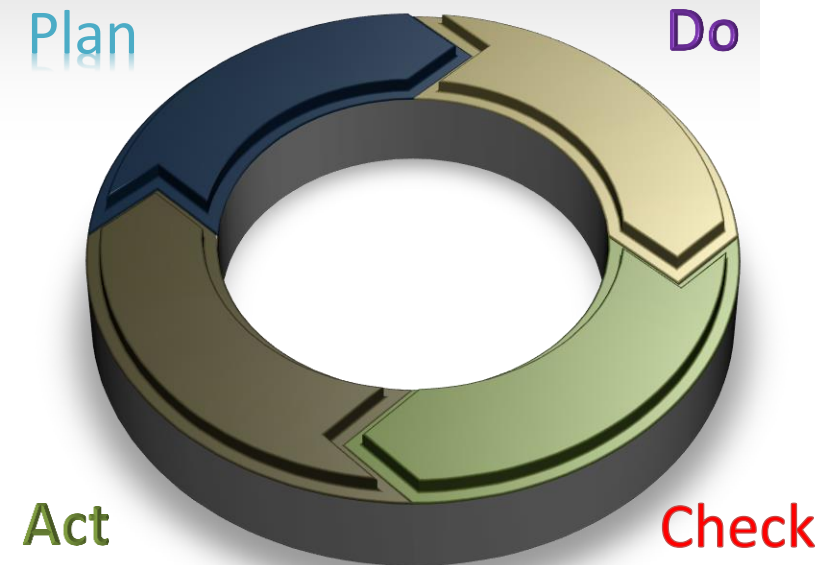


# Strategy is about shaping the future

- ❖ *Are you confident in your company's future?*
- ❖ *How do you rate your business strategy?*
- ❖ *Is your team engaged in the creation of your plan?*
- ❖ *Are you staying ahead of the competition and creating a sustainable advantage?*

# The plan process

- ❖ **Plan, Do, Check, Act**
- ❖ **Accountability – clearly defined**
  - **Who does what?**
  - **Who is accountable?**
- ❖ **Back to basics**
- ❖ **Improved overall engagement**



# Cash Flow

A close-up photograph of a financial statement table. The table has several columns and rows. The visible columns are labeled 'Cash flow (2)', 'Net income (3)', and 'Maximum retention (4)'. The rows contain numerical values. The first row shows 28.9, 34.8, and 26.2. The second row shows 30.5, 37.5, and 34.1. The third row shows 40.2, 41.0, and 38.4. The fourth row shows 38.4. The text is slightly blurred, suggesting a shallow depth of field.

|  | Cash flow (2) | Net income (3) | Maximum retention (4) |
|--|---------------|----------------|-----------------------|
|  | 28.9          | 34.8           | 26.2                  |
|  | 30.5          | 37.5           | 34.1                  |
|  |               |                | 40.2                  |
|  |               |                | 41.0                  |
|  |               |                | 38.4                  |

**Today, different work needs to get done—and work needs to get done differently:**

- ❖ **2020 cannot be viewed as one year**
- ❖ **It's not a year—it's four quarters.**
- ❖ **This year needs to be approached as a series of quarters**

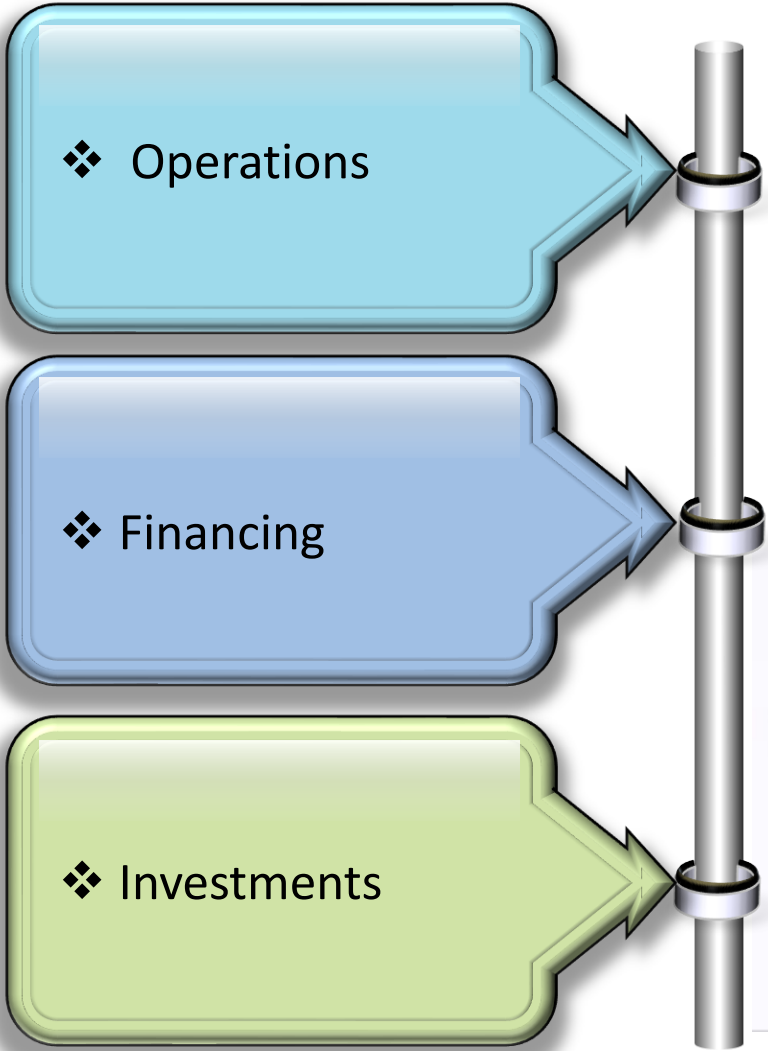
**Don't be scared to change the plan**

## **Cash is the fuel that drives business**

**Typically, the more cash you have in the tank, the longer your business can travel on its journey. The last thing you want to do is run out of fuel.**

**Alter your mindset to change that outlook. Yes, profitability is the goal – and cash flow is the means of achieving that.**

# Knowing the 3 Sources of Business Cash Flow



# Understand Cash Flow

To fix your cash-flow problems

Review of your:

- ❖ accounts receivable, or AR, to see what's outstanding from your customers.
- ❖ accounts payable, or AP, which is what you owe vendors, suppliers and employees.
- ❖ reduce personal liabilities
- ❖ create cash reserves or new “Zero’s”

# Cash from Operations

**Cash from operations consists of cash collected from:**

- ❖ **sales revenue after payments for costs of goods**
- ❖ **taxes**
- ❖ **interest on loans**
- ❖ **accounts receivables**
- ❖ **decreases in inventory**



# Cash from Investing

## Cash from investing:

- ❖ **by selling business assets.**
  - **these may include excess or obsolete equipment,**
  - **real estate or**
  - **investment securities**
- ❖ **cash spent to buy equipment**

## Investments in less tangible assets:

- ❖ **such as building brand recognition or**
- ❖ **buying intellectual property**

**Interest rates currently at historical lows = opportunity?**

# Cash from Finances

## Cash from financing

- ❖ consists of cash received from loans
- ❖ drawing down credit lines
- ❖ profit share or ownership in the company,

**Accounts receivable, or AR, to see what's outstanding from your customers.**

**Address outstanding customers:**

- ❖ **it's important to stay on top of those deadlines**
- ❖ **regularly review what's outstanding**
- ❖ **be proactive to round up this outstanding cash**

**Accounts payable, or AP, which is what you owe vendors, suppliers and employees.**

**Extend other payables and shift due dates:**

- ❖ **ask your vendors to extend their payment terms to 60 or 90 days**
- ❖ **monthly payment - spreading out these obligations**

# Stop acting like a bank.

**Are you extending long payment terms or allowing too many customers more than the standard 30 days to pay for your goods and services?**

**You may be causing a cash flow squeeze that could ultimately hurt the financial health of your company.**

Pick up the phone.

**If you've tried to send email reminders or automated electronic reminders to customers whose invoices are past due without much success**

Pick up the phone.

**An overlooked aspect on how to improve cash flow in small business is the human touch.**



**Not Paying Bills, Staying Friends?**

**The number of companies overdue on bills has risen by 50 percent, one estimate finds. Will business relationships become another victim?**

# Customer Relationship Management: A Necessity for Automotive



# Customer Relationship Management: A Necessity for Automotive

Customer relationship management is important to every business as they seek to make profit through long-term relationships with customers.

- ❖ Industries face unique challenges in the modern economy
- ❖ There is a strong competition between new and used car market
- ❖ Customers have incredible information available to them through internet
- ❖ Review system
  - customer call follow ups,
  - social media and more

so building relationship requires more effort.

Individuals and businesses want to stand out, to be different, to attract others by being better in some unique ways.

There is one universal principle that determines the degree of success of all businesses:

**Be the preferred provider to your markets.**

**What Is a “Preferred Provider”? It’s a provider that a customer or client favours in the purchase of a product or service versus its competition.**



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**Make your organisation stand out by changing the mindset of your leaders**

Startling leadership statistics:

- 75% of employees report their boss is the worst and most stressful part of their job
- 65% of employees say they would take a new boss over a pay raise
- 60% of employees report that their boss damages their self-esteem

**“It is madness to repeat the same behaviours and expect different results.” Albert Einstein**

# CASH NO LONGER KING

**It appears that cash is no longer king, with cash spend, as represented by ATM withdrawals, dropping 12% from November levels across all income brackets.**

**Lower income earners maintained a steady threshold of BNPL, with an increase in uptake to 31% compared to November levels.**

1 Source: Alphabeta australia

2 Source: illion

afterpay 



openpay

## Productivity

- ✓ Establishing a process of standardisation confirmation against **industry standards**
- ✓ **Establish visualised "Golden Rules" & checks and measures**
- ✓ Coaching staff in correct methods

## Org Structure

- ✓ Engage a Proactive approach
- ✓ Redefine day to day roles and responsibilities
- ✓ Documented and Visualised to staff
- ✓ Monthly review of effectiveness for initial 3 months

## Team Engagement and Culture

- ✓ Re-engage with teams rebuilding rapport
- ✓ Implement capture and measurement of team ideas
- ✓ No Blame tone in all forums
- ✓ Individual Accountability for roles and key metric

**You have the charisma, talents and skills within you to achieve great things, you just need to understand your true worth to unleash your potential**

**Sure, hard work, resilience, continual learning; they all play a part, but knowing these essential money & mindset traits will better increase your wealth.**



“Difficult roads often lead to beautiful destinations. The best is yet to come.” -Zig Ziglar



# Summary

- ❖ **Plan, Do, Check, Act**
- ❖ **Back to basics**
- ❖ **Understand where you are today - Reality V's Perception**
- ❖ **Set direction & priorities**
- ❖ **Reduce personal liabilities**
- ❖ **Analyse return on potential investments**
- ❖ **Reduce non-profitable business services & product lines**
- ❖ **Review current borrowing rates & investigate comparative market rates**
- ❖ **Review ownership structures of both assets & business operations**



# Thank You

A close-up photograph of a person's hand holding a grey rectangular card. The hand is positioned on the left side of the card, with the thumb and index finger gripping the edges. The card is held at an angle, showing its front face which contains contact information.

## Contact Information

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