



FIS 360
INNOVATION DELIVERED

Financial Fundamentals, Risk, and Project Management for Strategic Growth

29th October 2025

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Cash is King, but Profit is Everything






- **Revenue** = money received from sales of goods or services
- **Profit** = money left after deducting expenses and taxes
- **Cash** = money in the bank



TURNOVER is VANITY
PROFIT is SANITY
but
CASH is KING

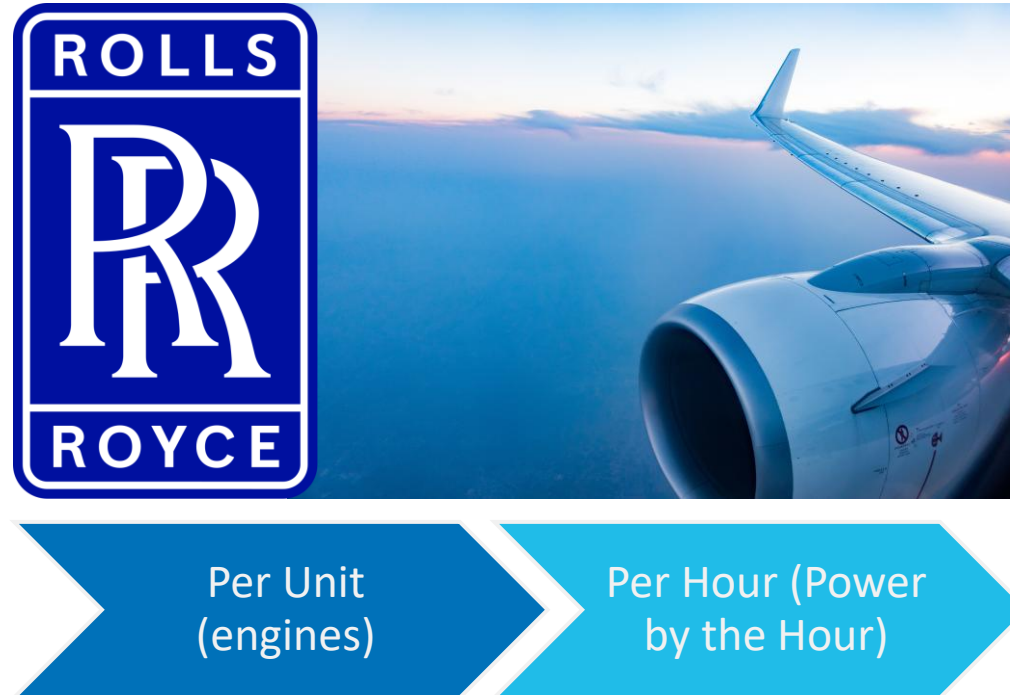


Revenue Models

Revenue Model		Description
	Unit-based	Payment per unit of output
	Time-based	Payment for service time used
	Fixed Fee	Payment for outputs/ outcomes
	Subscription	Recurring fee for access during a certain time period
	Licensing	Recurring fee based on usage



Revenue Models

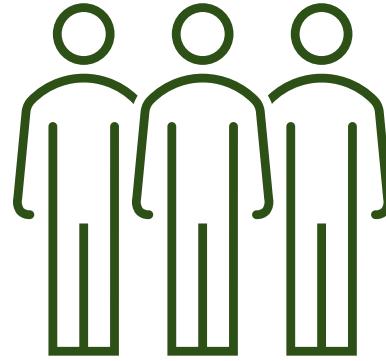


WHEELY GOOD



BIKE SHOP





£££?



WHEELY GOOD



BIKE SHOP



Bike Sale Price



£1,000

less

Direct Costs

Cost of Goods



£400

Labour to Build



less

£300

Gross Profit = £300 per bike



Sales forecast



January	February	March	April	May	June	July	August	September	October	November	December	Total
5	5	10	10	15	20	30	50	20	10	15	10	200





Profit and loss statement (P&L)

Sales	£ 200,000
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<u>Direct Costs</u>	<u>(£ 140,000)</u>
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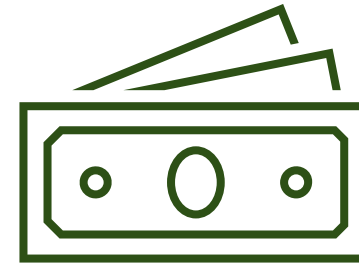
Gross Profit (Loss)	£ 60,000
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Other Income

Money coming in that is not a Sale

- Grants
- Loans
- Bank interest
- Exchange rate gains



£10k loan

At 12 % pa interest payable over 2 years





Indirect costs



- Sally's salary

£ 2,000 pcm



- Rent, rates, utilities

£ 1,400 pcm

- Insurance

£ 150 pcm

- Workshop tools

£ 2,000 pa



- Telephone, IT

£ 100 pcm

- Sales & marketing

£ 500 pcm



- Admin support

£ 250 pcm

- Legal, Accountancy

£ 2,000 pa

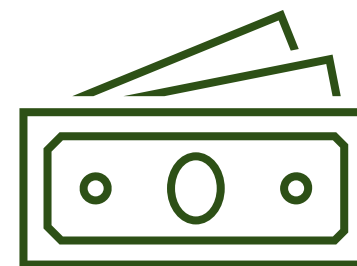




Finance charges

Money going out to service finance

- Interest on Loans
- Bank charges
- Exchange rate losses



£471 pcm

Loan Repayments: Capital + Interest





Profit and loss statement (P&L)

Sales £ 200,000

Direct Costs (£ 140,000)

Gross Profit (Loss) £ 60,000

Other Income – loan £ 10,000

Indirect Costs (£ 56,800)

Depreciation (£ 400)

Operating Profit (Loss) £ 12,800

← EBIT

Finance Charges (£ 5,649)

Corporation Tax (£ 1,359)

Net Profit (Loss) £ 5,792



WHEELY GOOD

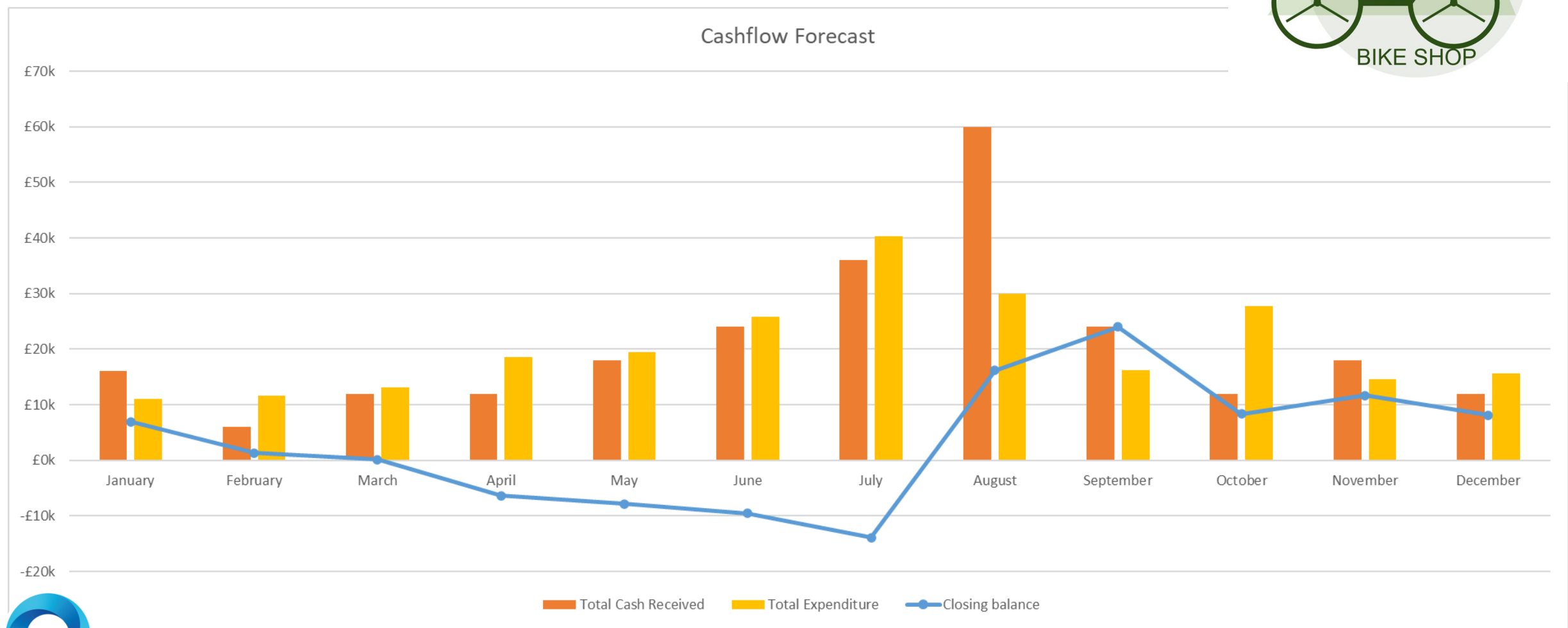


Would you loan the Wheely Good Bike Shop
£10,000?

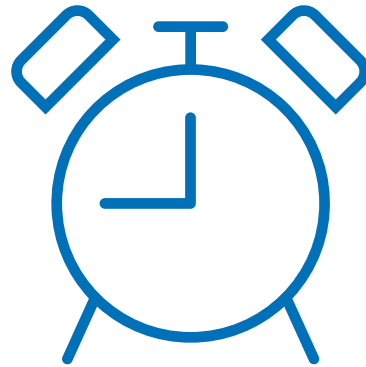




Cashflow Forecast



Remember: Profit \neq Cash



Timing is everything



Cashflow forecast

A **monthly** cash flow forecast can help a business to:



Avoid cash shortages by managing cash flow effectively.



Plan ahead for any expected cash deficits and secure funding or financing.



Optimise the use of excess cash, e.g., plan for capital expenditure.



Improve performance by comparing with the actual cash flow and investigating why they differ.

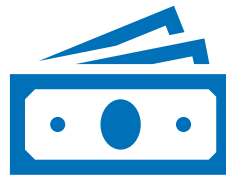


Cashflow challenges



Payment terms

(and late payment)



Tax

VAT quarterly
payments



Funding growth is hard

Keep sufficient cash reserves



Why grow?



Respond to
changing
markets and
customer
needs



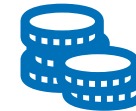
Boost market
share and
competitive
advantage



Capitalise on
brand and
reputation



Spur
innovation
and creativity



Increase
profitability
and
sustainability



Attract and
retain talent



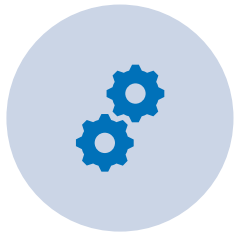
Challenges of growth



Maintaining quality and consistency



Managing complexity and change



Scaling up resources and capabilities



Balancing growth and profitability



Strategies for growth



Establish clear
goals and
metrics



Develop a
growth mindset
and culture



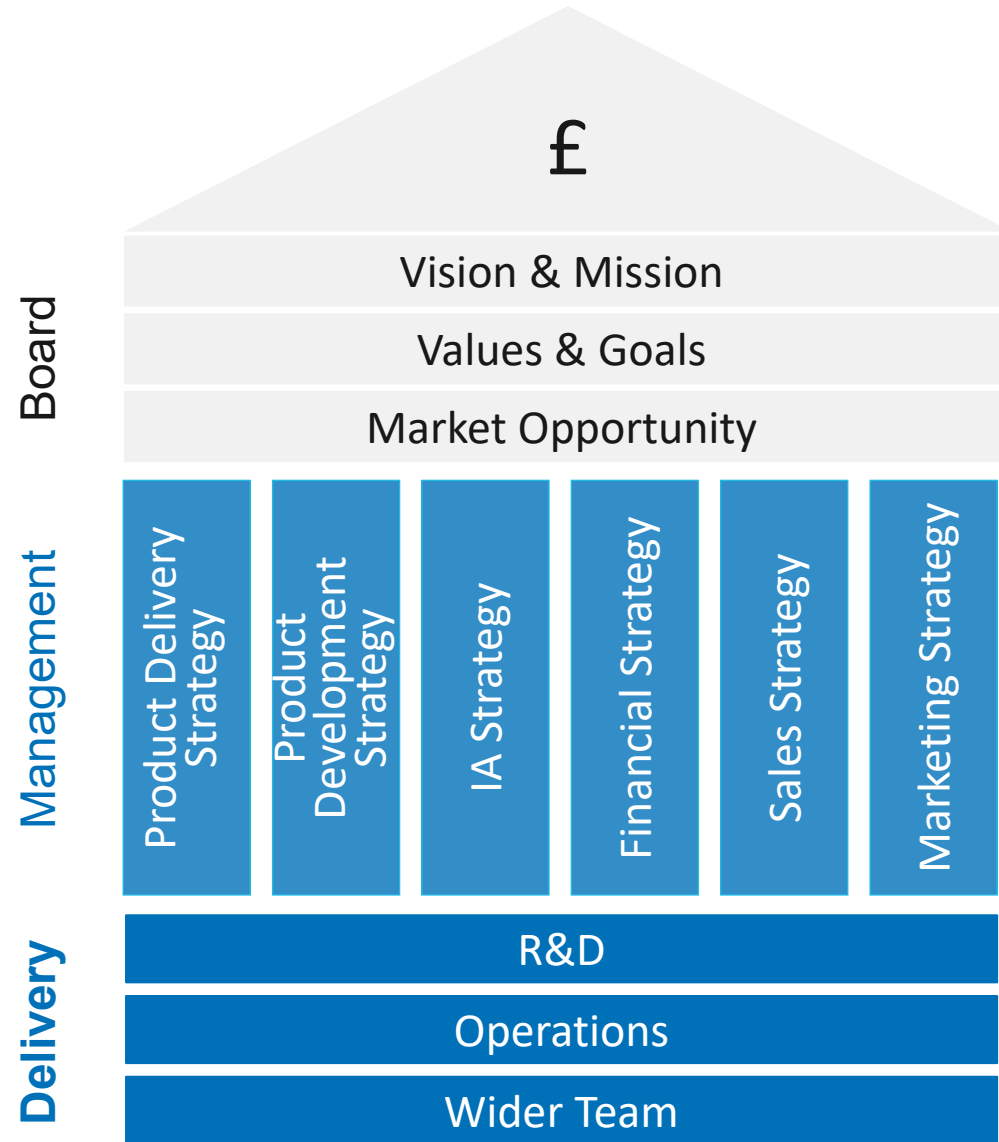
Leverage existing
strengths and
resources



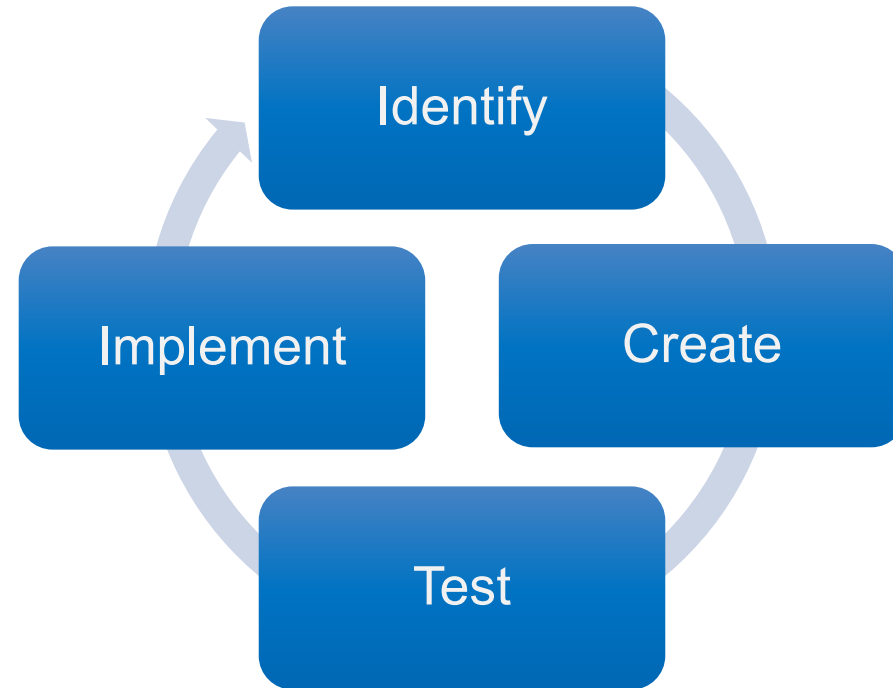
Seek new
opportunities
and innovations



Commercial Strategy



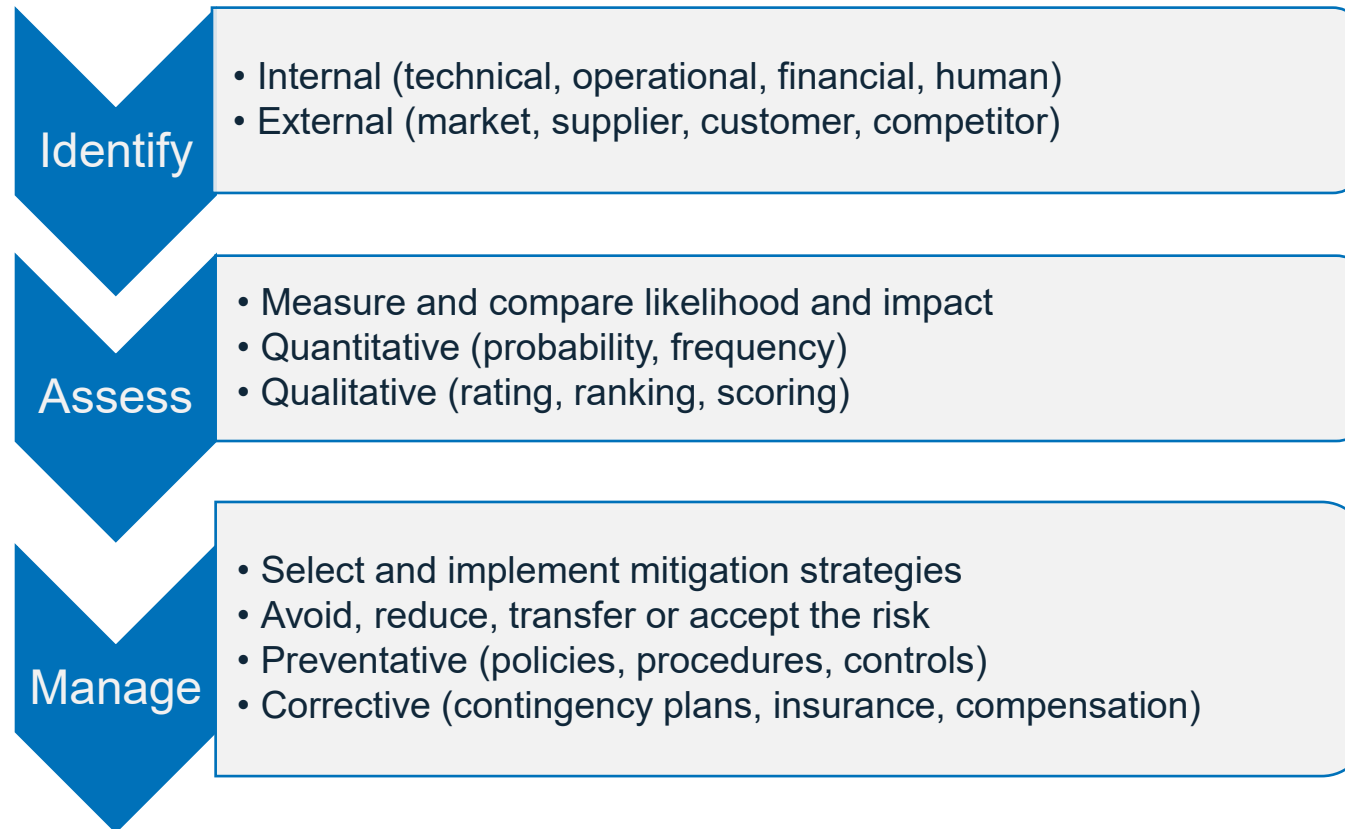
Innovate



...across all aspects of your business, not just products



Manage Risk



...across all aspects of your business, not just technical risk



Innovate or die?!



<https://www.britannica.com/technology/Sinclair-C5>



Innovate or die?!



<https://www.mashed.com/1086458/the-frozen-colgate-meals-that-deserved-to-fail/>





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Thank You

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