BUSINESS STRATEGY & GROWTH

Cash Flow: The Pulse of Your Business's Viability

By Leyla Hussein • 18 October 2023

I once spoke to a business owner who was, on paper, having his best year ever. Order book full, contracts signed, revenue up on every previous year. He was also, when we spoke, three days from not being able to pay his staff. Both things were true at once, and if you have run a business you will know exactly how that happens. The work was won. The cash simply had not arrived yet, and the wages would not wait for it.

There is one plain truth underneath every business, whatever it sells: cash flow is king. A healthy flow of cash is not just important, it is the lifeline that keeps everything else moving. It is the pulse that tells you whether the enterprise is actually viable, and mastering its rhythm is something every lasting company eventually has to learn, usually the hard way.

The bloodstream, not the scoreboard

It helps to think of cash flow as the bloodstream rather than the scoreboard. Profit is a measure of how you did. Cash is what keeps the organs running right now. It pays the people, buys the materials and keeps the doors open, and when it stops moving, a business starts gasping regardless of how good the figures look on a spreadsheet. A company can be profitable and still fail, and cash flow is almost always the reason.

Reading the ebb and flow

Managing it well is not about knowing what is in the bank today. It is about seeing what is coming. It is understanding that a contract won this morning might not turn into actual money for months, and planning for that gap rather than being surprised by it. That foresight is what separates the owners who stay calm from the ones left scrambling when an entirely predictable shortfall arrives right on schedule. The strain is rarely a shock. It is usually a thing that could have been seen from a long way off.

When it is done well

We have watched businesses turn themselves around simply by getting a grip on this. Tighter credit control, so money owed actually comes in. Payment terms negotiated in your favour rather than against it. A steady eye on the balance between what you are owed and what you owe. None of it is glamorous, and all of it works. And it does more than keep you afloat. A business with cash under control can invest, take an opportunity when it appears, and grow without dangerously overextending itself. Cash flow is not only about survival. It is what makes scaling possible.

Where sales comes in

Sales sits right at the heart of this, and not simply because selling brings money in. It is the kind of selling that matters. A profitable sale, structured with sensible payment terms, feeds the flow. A big, badly-structured contract that pays late can actually starve it, even while it looks like a triumph. Winning the right work, on the right terms, is a cash flow decision as much as a revenue one.

The owner three days from missing payroll made it through that week, and then rebuilt the way he handled the gap between winning work and being paid for it, so it never got that close again. Cash flow is not a back-office detail. It is the rhythm the whole business runs on. Get it right and success keeps time with it. We are your sales team, and we get you sales, the kind that are actually good for the business.