

Business Drivers

Cash
Profit
Assets
People
Growth

Profit

Raise Price
Sell More
Lower Costs
Profit = Revenue - Cost

Profit Metrics

Gross Profit = Revenue - Costs of Goods Sold
Operating Income = Gross Profit - Overhead
Net Income / Profit = Op Income - Taxes

The Big Picture

The big picture of our main job: Contribute to Building a company experiencing long-term, sustainable, profitable growth.

How what we do fits into the overall picture of helping the company make money, achieve its strategic objectives, and be profitable.

Focus on overall business, not the operations of my department or division.

Senior management team wants the entire business to be profitable, not just a single unit.

Cash Sources

Cash from Operations
Cash from Investing
Cash from Financing

Why Cash?

Interests Payments
Operating Expenses
Capital Expenses
Opportunities (acquisitions)
Uncertainty

NPV

Is the present value of the future **cash streams** from investment greater than the cash investment?

Inputs:
- Cash Invested
- Future Cash streams (Amount, Time)
- Discount Rate

Financial Statements

Cash Flow Statement: Cash
Income Statement: Profit/Growth /People
Balance Sheet: assets

Asset Strength

Refers to a company's ability to stay viable during the ups and downs of the market place.

Current Ratio
Debt to Equity Ratio
Casha Balance

Asset Utilisation

Refers to a company's ability to efficiently and effectively use its assets to generate profits.

Return on Assets (ROA)
ROI
Inventory Turnover
Return on Equity (ROE)

Growth

Organic Growth
Inorganic Growth

Metrics:

- Sales (Top Line)
- Profit (Bottom Line)
- Shareholder Value

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