

FINANCE: THE LIFELINE OF ANY BUSINESS

FINANCING THE 3 FUNCTIONAL AREAS OF A BUSINESS

A typical business is divided into 3 functional areas that require financing - Finance, Operations & Marketing. Understanding the funding requirements of these three areas gives you an overview of managing business finances.

FINANCE

The key role of Finance is to ensure sufficient funds at various stages of the business. Let's look at the stages of business financing.



BEGINNING

SECURING FUNDS TO PURCHASE BASIC EQUIPMENT, INGREDIENTS & OTHER NECESSITIES TO START THE BUSINESS.



CUSTOMER FUNDED

OBTAINING POSITIVE EARNINGS TO KEEP YOUR BUSINESS RUNNING & HAVING CASH RESERVES FOR FINANCIAL GROWTH.



CREDIT

WITH ENOUGH EARNINGS AT YOUR DISPOSAL, YOU CAN SECURE MONEY THROUGH FINANCING OPTIONS SUCH AS LOANS/INVESTORS.

OPERATIONS

Ensure that your Cost of Goods Sold (direct operation cost) and Overheads (non-direct operation costs) are optimised in producing your products.

RAW MATERIALS



INGREDIENTS NEEDED TO BAKE YOUR PRODUCTS

PACKAGING



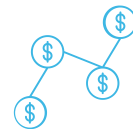
CAKE BOXES, GIFT CARDS, PAPER BAGS ETC.

DELIVERY



TRANSPORTATION COSTS

OVERHEADS



RENTAL, ELECTRICITY, WATER, LABOUR ETC.

MARKETING

The role of Marketing is to generate demands for your products, leading to higher sales volume. Spending wisely, you will be able to ensure returns on your expenditure. Here are three channels where you can spend your efforts on.

PAID

PAID SEARCH ADS OR SOCIAL ADS TO INCREASE AWARENESS OR DRIVE CONVERSIONS FOR YOUR PRODUCTS.

OWNED

ONGOING ENHANCEMENT ON YOUR OWN SOCIAL PAGE, WEBSITE OR ECOMMERCE TO ATTRACT USERS THROUGH ORGANIC SEARCH.

EARNED

GENERATING WORD OF MOUTH THROUGH TESTIMONIALS OR SOCIAL SHARES FOR YOUR PRODUCTS THROUGH SOCIAL MEDIA.

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