

## Learning Module 3 – Sustaining the Business

### Module introduction

Module 3 focuses on three core areas:

- Opportunities and risks which are within the control of owner/managers and must be addressed by the intelligent fine-tuning of your core business model.
- Risks associated with the trading environment and assets of your business which need to be mitigated through appropriate insurance and indemnities.
- Understanding the importance of exit strategies in business.

In this module you will learn how to systematically fine-tune your business/financial model to deliver the best sustainable plan for your business. This will enable you to make informed responses to the opportunities and threats facing your business\*. Module 3 leads you through a systematic process of profit and cash flow improvement using a modelling application to test the process in realistic financial/business simulations. It explores risk mitigation and exit strategies, and provides valuable insights into how your business will be assessed by advisers, investors and lenders.

\*Difficult-to-anticipate threats from external influences/events (political, economic, social, technological, legal and environmental changes) are addressed in detail in Modules 1.

### The objective of this module is to enable you to:

1. Implement systematic profit and cash flow strategies to protect the viability and future success of your business.
2. List the key business activities which require ongoing measurement and monitoring.

### Expected learning outcomes:

#### Knowledge

Upon completion of this module you will be able to:

1. Name those elements within your control which determine the survival and success for your business.
2. Understand how systematic processes may be used to generate profit and cash flow.
3. Recognise external influences, which are beyond your control and which can threaten your business.
4. Understand the importance of working capital.
5. Describe practical business policies for effective inventory and credit management.
6. List ways to protect against adversity and mitigate loss.
7. Understand the ratios which professionals will use to assess your financial projections.
8. Understand why lenders often use two different ways to measure liquidity.



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9. Understand how profit generation and cash flow can sometimes be in conflict and how to achieve the best balance for your business.
10. Understand the need for exit strategies.
11. Identify the most viable exit strategy for your business.

## Competences and Skills

Upon completion of this module you will be able to:

1. Explore what happens to profit and cash flow when you change the metrics in your business model.
2. Fine-tune your business model to give your enterprise the best chance of survival and success.
3. Download and use a template with guidelines to complete an audit of the specific options available to you to maintain and improve the profitability and cash flow of your business.
4. Identify the key metrics you will need to monitor and control in order to protect the liquidity of your business.
5. Prepare a risk avoidance/insurance plan appropriate to the scale and value of the assets of the business and realistically anticipated hazards.
6. Draw up a realistic exit strategy.

## Syllabus

Module 3 is divided into 6 units:

Unit 1 – Introduction and Module Overview

Unit 2 – How to Generate Profit

Unit 3 – How Not to Run out of Cash

Unit 4 – Ratio Analysis

Unit 5 – Mitigating Risk

Unit 6 – Exit Strategies

Furthermore, there are templates to download which will help capture and organise useful information for your business plans and forecasts.

Duration of the module: approximately 180 minutes.