



Wholesale Cash Flow Model: How to use this free tool

Managing cash flow effectively is crucial to keeping any wholesale business running smoothly. Having cash available when you need it to pay bills and reinvest back into the business is also key to continued growth over the long term.

Using our free wholesale cash flow model, you can accurately estimate revenues, orders, and cash over time – giving you the insights you need to manage your business operations efficiently.

How to use the wholesale cash flow model

You can use this model in Excel, Google Sheets, or any other spreadsheet program. The model is completely open and unlocked, so you can edit or change calculations and add in new channels to suit your business.

Keep in mind that all inputs – numbers you can change yourself – are in blue text with a grey shaded background, and all numbers that result from automatic calculations appear in black.

You can use this cash flow tool to assist with a number of goals, such as:

- Forecasting future sales and cash flow
- Comparing the performance of various sales channels
- Informing marketing budget decisions based on revenues by channel
- Examining returns on sales

Take a look at our step-by-step guide on how to use this free tool to manage your cash flow.

1. Enter your model settings

Start by entering your basic information and data labels in the 'Get Started' tab. All information you enter in this tab will be reflected in the 'Orders' tab and vice versa. The model structure is flexible so that you can enter granular information about individual orders, or the total number of orders per customer or per month.

On the 'Get Started' tab, you can enter:

Your preferred currency and forecasting start date

MODEL SETTINGS +

Defining dates and currencies

What is your currency?

\$

What is the first date you want to forecast?

Feb-18



Note: The first forecast date is populated by the first order you input on the 'Orders' tab, as we will see later on.

Your sales pipeline information

You can input and edit any the following:

- Name of Stage – the stage in the sales pipeline that any order falls. You can keep the default five stages or edit to suit your business.
- Likelihood – the percentage chance you believe an order is likely to close at each stage of the sales pipeline.
- First Time or Repeat Customer – whether a customer is new or repeat. You can edit these labels if preferred.
- Category of Customer or Order – you can choose to categorize customers or orders to provide clearer segmentation in reporting. In this example, we have chosen two labels – 'Referral' and 'Bulk'.
- Domestic or International Customer – a customer's relation to your country, which is also valuable for reporting purposes.

Name of Stage		% Likelihood to close	
Lead	%		2%
Prospect	%		10%
Negotiation	%		60%
Review	%		80%
Closed	%		100%

First time or Repeat Customer	
First time	
Repeat	

Category of Customer or Order	
Referral	
Bulk	
Category 3	
Category 4	
Category 5	

Domestic or International Customer	
Domestic	
International	



Revenues and cash

Here, you can set details about the transaction fees you pay to your payment processor for your own country and other countries. In this example, we have used TradeGecko's default fees based on merchant location.

Transaction Fees (from merchant registered location)				Domestic Visa & MasterCard				International Visa & MasterCard and Amex				Estimated Domestic % Revenues split between Visa/MC and Amex	
Country		%		% of the transaction total		per transaction		% of the transaction total		per transaction		Visa & MasterCard	American Express
United States				2.9%	\$	0.30		3.4%	\$	0.30		50.0%	50.0%
Australia				1.9%	\$	0.30		3.3%	\$	0.30		50.0%	50.0%
United Kingdom				1.9%	\$	0.20		3.3%	\$	0.20		50.0%	50.0%
Singapore				3.4%	\$	0.50		3.5%	\$	0.50		50.0%	50.0%
Canada				2.9%	\$	0.30		3.5%	\$	0.30		50.0%	50.0%
New Zealand				3.0%	\$	0.30		3.5%	\$	0.30		50.0%	50.0%
Your country and rates													
United Kingdom				2.6%	\$	0.20		3.3%	\$	0.20			

Where to account for payment fees

You can also choose where to account for payment fees – as COGS (cost of goods sold) or SG&A (selling, general & administrative expense).

Account for Payment Fees in ->

COGS

2. Enter your forecasted or actual orders

Next, you can begin to enter your order details on the 'Orders' tab. The model will then sum the revenues into various categories (as defined on the 'Get Started' tab) on the 'Summary' tab.

The 'Orders' tab allows you to define:

An order date and a delivery date for each order

Here, you can define different payment schedules around those dates if applicable. The delivery date you enter for each order defines when revenues for that order are recognized.

Order Date	Month	Year	First Time or Repeat Customer	Category	Order #	Customer	Sales Pipeline Stage	% Likelihood to close	Order Delivery Date
1/2/2018	2	2018	First time	Referral	1001	Customer 1	Closed	100%	1/2/2018
12/2/2018	2	2018	First time	Referral	1002	Customer 2	Negotiation	60%	12/2/2018
5/4/2018	4	2018	Repeat	Referral	1003	Customer 1	Prospect	10%	5/4/2018
27/5/2018	5	2018	Repeat	Bulk	1004	Customer 3	Review	80%	27/5/2018
18/7/2018	7	2018	First time	Referral	1005	Customer 1	Lead	2%	18/7/2018
8/9/2018	9	2018	First time	Referral	1006	Customer 1	Review	80%	8/9/2018
27/10/2018	10	2018	First time	Bulk	1007	Customer 4	Lead	2%	27/10/2018
18/12/2018	12	2018	First time	Referral	1008	Customer 5	Prospect	10%	18/12/2018
8/2/2019	2	2019	First time	Referral	1009	Customer 6	Lead	2%	8/2/2019
1/4/2019	4	2019	First time	Referral	1010	Customer 7	Lead	2%	1/4/2019



You can also edit other details for each order, such as:

- Customer name
- Customer or order category
- Order number
- Sales pipeline stage
- Likelihood of closing the sale

Forecasted payment schedule

This allows you to set:

- The percentage of revenues that are paid on a purchase order
- The percentage of revenues that are paid when the order is delivered
- Number of days payable on the remaining cost of the product

Forecasted Payment Schedule

Order are paid when purchase order is placed?	What % of payments for Order are paid when order is delivered?	Account Payable on the remaining cost of product?
100%	0%	-
50%	50%	-
25%	25%	30

The model uses this information to forecast the paid amounts at purchase date, delivery date, and when the remainder is payable.

It also automatically calculates the payment fees associated with each order based on the transaction fees entered on the 'Get Started' tab.

Forecasted Payments (all before Payment Fees)						Payment Fees		
Paid at Purchase Order	Paid when delivered	Paid x days payable	Date of Payable Payment	Month	Year	Payment Fees, Paid at	Payment Fees, Paid when	Payment Fees, Paid x days
2,066	-	-	na	0	0	68.39	-	-
1,033	1,033	-	na	0	0	34.30	34.30	-
597	597	1,195	5/5/2018	5	2018	15.73	15.73	31.26

Actual payments

If you prefer a more specific way of forecasting cash flow, you can also use the Actual Payments section to manually input payment amounts and dates for each order. Again, payment fees will be calculated based on the transaction fee percentages entered on the 'Get Started' tab.



Actual Payments (default has 2 payment timings, this can be edited. Before Payment Fees.)

Amount of payment 1	Payment 1 date	Month	Year	Payment Fees	Amount of payment 2	Payment 2 date	Month	Year	Payment Fees
2,066	1/2/2018	2	2018	68.38	-	12/1/2018	1	2018	-
1,033	8/4/2018	4	2018	34.29	1,033	18/4/2018	4	2018	34.29
597	5/5/2018	5	2018	15.72	597	5/6/2018	6	2018	15.72

Note: The Actual Payments and the Forecasted Payments sections are added to reach the total for each order, so use only one of these methodologies per order (i.e. per row).

3. Review the 'Summary' tab

Once you have entered and refined your information on the 'Get Started' and 'Orders' tabs, you can review the following information on the 'Summary' tab:

Revenues and costs by month

Your gross margin is calculated by your revenues (recorded on the 'Orders' tab) minus your cost of goods sold.

REVENUES & COSTS				Q1 2018 Feb-18 1
Quarter	Year	Date	Month #	Month
				February
REVENUES				
Revenues	\$	Recognized when Orders are delivered		3,306
Cost of Goods Sold	\$	Recognized when Orders are delivered.		1,831
Gross Margin	\$			1,475

Operating expenses per month

Payment fees are automatically calculated from forecasted sales and payment rates. You can also manually add additional operating expenses.

OPERATING EXPENSES			
Payment Fees	\$	Calculated from forecasted sales and pay	178 -
Warehouse rent	\$	Enter in forecasted monthly costs per mc	2,000 2,000
TBD	\$	Enter in forecasted monthly costs per mc	- -
TBD	\$	Enter in forecasted monthly costs per mc	- -



Cash burn details and cash balance per month

Cash burn details are automatically calculated based on revenues minus operating expenses. Cash balances are calculated based on payments minus payment fees and other operating expenses.

You can also manually include a beginning cash balance and any other forms of external financing to more accurately reflect your cash balance.

BURN DETAILS

Cash Burn	\$	All Expenses	(2,178)
Net Cash Burn	\$	Net Revenues and Expenses	1,128
Average 6 months Net Cash Burn	\$	Average net cash burn, trailing 6 months	1,128

CASH

Beginning Cash Balance	\$		1,000
Add: Cash Payments	\$	Actual cash payments (before payment f	5,372
Less: Payment Fees	\$	Payment fees	(178)
Less: Other Operating Expenses	\$	All other expenses, according to when t	(2,000)
Add: Funding, Grants, Equity, Notes	\$	External financing. This could be equity,	800
Ending Cash Balance	\$	calculated	4,994
Minimum Cash Balance	\$	calculated	(59,207)



Revenue details per month

Each month's revenues are broken down by:

- First time or repeat customer
- Category of customer or order
- Sales pipeline stage
- Domestic or international customer

REVENUE DETAILS

First time or Repeat Customer

First time	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	3,306
Repeat	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	-
Total	\$		<u>3,306</u>

Category of Customer or Order

Referral	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	3,306
Bulk	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	-
Category 3	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	-
Category 4	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	-
Category 5	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	-
Total	\$		<u>3,306</u>

Name of Stage

Lead	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	-
Prospect	\$	sums up the forecaste revenues (weighted by liklihood to close) by segment	-
Negotiation	\$	Sums up the forecasted revenues (weighted by likelihood to close) by segment	1,240
Review	\$	Sums up the forecasted revenues (weighted by likelihood to close) by segment	-
Closed	\$	Sums up the forecasted revenues (weighted by likelihood to close) by segment	<u>2,066</u>
Total	\$		<u>3,306</u>

Domestic or International Customer

Domestic	\$	Sums up the forecasted revenues (weighted by likelihood to close) by segment	-
International	\$	Sums up the forecasted revenues (weighted by likelihood to close) by segment	<u>3,306</u>
Total	\$		<u>3,306</u>



Cash details per month

Each month's cash details are broken down by:

- Forecasted payments and payment fees
- Actual payments and payment fees
- Accounts receivable

Total cash payments and payment fees are calculated based on combined forecasted and actual data from the 'Orders' tab.

You can also manually add any accounts receivable at the beginning of the first forecast month.

CASH DETAILS

Forecasted Payments

Paid at Purchase Order	\$	2,686
Paid when delivered	\$	620
Paid x days payable	\$	-
Total	\$	3,306

Forecasted Payment Fees

Paid at Purchase Order	\$	89
Paid when delivered	\$	21
Paid x days payable	\$	-
Total	\$	110

Actual Payments	\$	-
Payment Fees, Actual Payments	\$	-

Total Cash Payments	\$	Combines forecasted and actual methods. This is used in the model.	3,306
Total Payment Fees	\$	Combines forecasted and actual methods. This is used in the model.	110

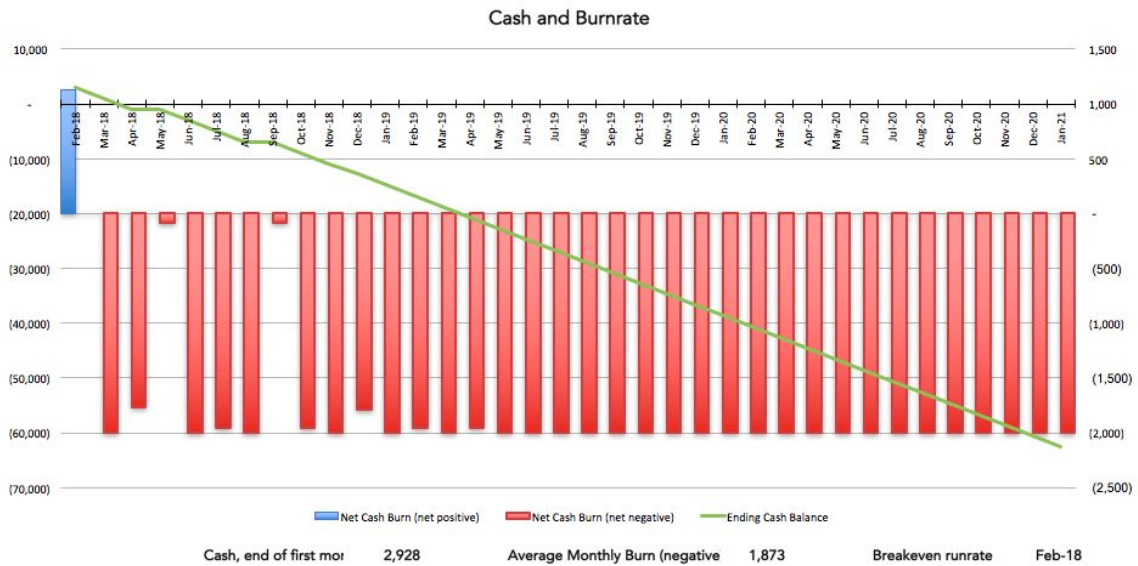
Accounts Receivable

Accounts Receivable, Beginning of Period	\$	100
Revenues	\$	3,306
Cash Payments	\$	(3,306)
Accounts Receivable, End of Period	\$	Can go negative if payments are received before revenues are recognized. Tech 100

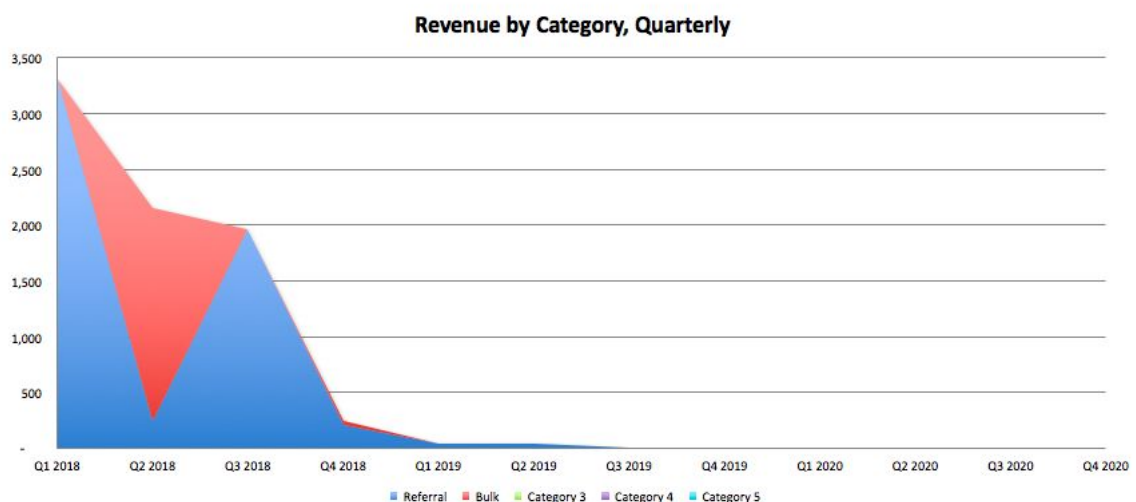
4. Review the 'Key Reports' tab

The 'Key Reports' tab takes inputs and calculations from the 'Get Started,' 'Orders' and 'Summary' tabs and provides useful insights presented graphically, including:

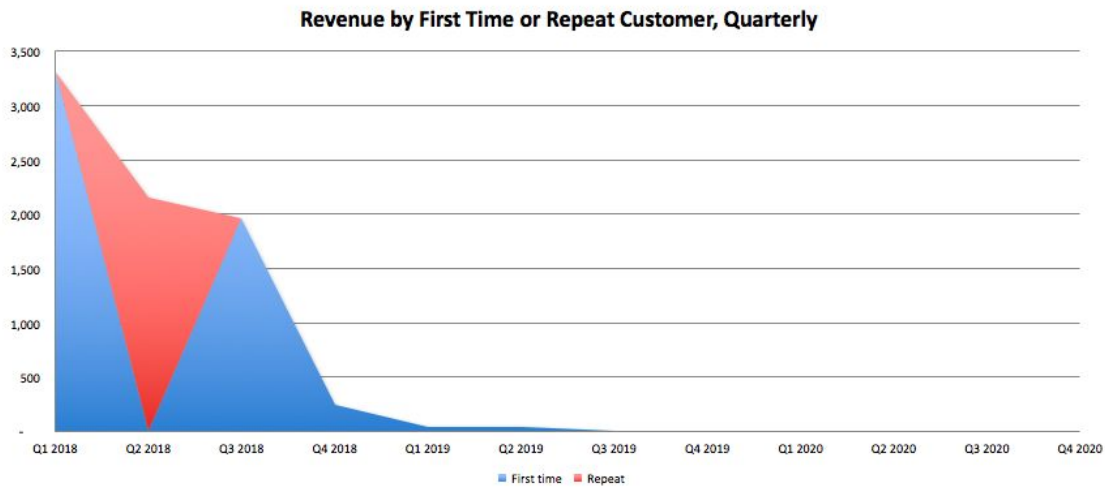
Cash burn and runway



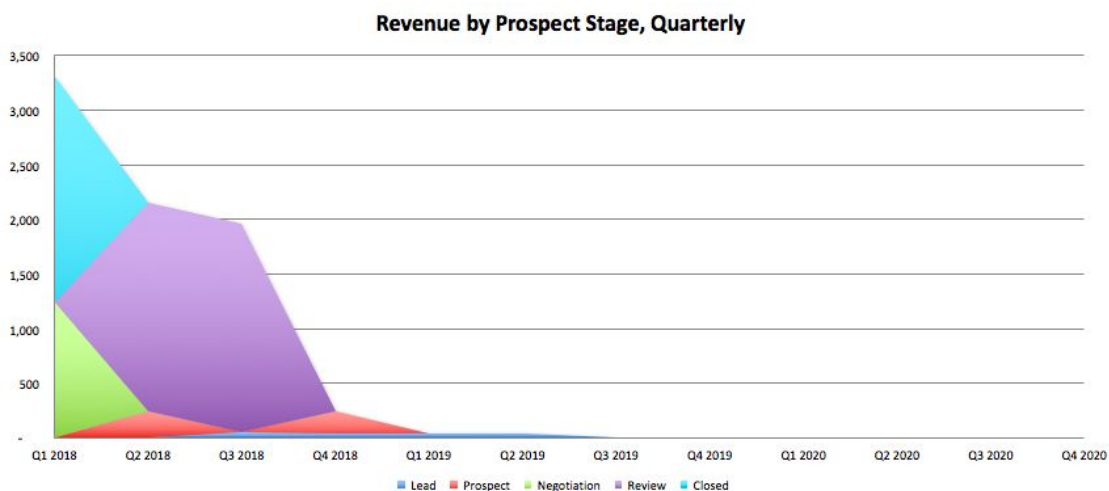
Revenue by customer or order category per quarter



Revenue by first time or repeat customer per quarter



Revenue by prospect stage per quarter



Don't forget that you can easily tailor these reports to suit your business by refining or relabelling the inputs on the 'Get Started' tab.



About the Wholesale Cash Flow Model creator:

Taylor Davidson is the founder of [Foresight](#), which helps entrepreneurs use financial models for business decisions. Through his financial models and strategic advisory services, he has helped over 18,200 entrepreneurs on financial planning, projections, fundraising, and business strategy.