

## CHAPTER 21

### What now? - Financials - Financial Planning, Forecasting, and CapEx Discipline

<b>What</b>	Replace the Annual Budget With a Rolling 13-Week Forecast
<b>Why</b>	This creates a forward-looking financial engine that adapts as fast as the market moves.
<b>Background</b>	Static budgets collapse under hypergrowth. A rolling forecast becomes the organisation's financial nervous system.
<b>How</b>	Weekly updates based on real performance and Leading Indicators. Real-time visibility into liquidity gaps before they become crises. Dynamic reallocation of capital to the highest-ROE channels. Scenario modelling to understand the impact of shifts in sales, pricing, or costs.
<b>What</b>	Build a Liquidity and Cash-Flow Control System
<b>Why</b>	Cash flow becomes a strategic weapon, not a finance department afterthought.
<b>Background</b>	Forecasting is useless without the ability to act on it. This step ensures the organisation can manufacture liquidity internally.
<b>How</b>	Track the Cash Conversion Cycle weekly. Use the "7 Levers of Cash Flow" to close gaps (pricing, terms, collections, inventory, overhead, etc.). Tie sales, marketing, and operations decisions directly to cash timing. Require every department to understand how their work affects cash flow.
<b>What</b>	Enforce CapEx Discipline Through the Capacity Test
<b>Why</b>	This prevents comfort spending and ensures every investment buys time, speed, or resilience.
<b>Background</b>	CapEx is where scaling companies most often destroy value. This step ensures capital is deployed only to increase system capacity.
<b>How</b>	Does it remove a proven bottleneck? What is the time-to-value? Does it create permanent systemic gain? Does it increase Velocity?



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<b>What</b>	Institutionalize the 14-Point Financial Pack as Monthly “Game Film”
<b>Why</b>	Everyone sees how their actions create—or destroy—financial performance.
<b>Background</b>	Financial intelligence must be democratized across the organisation—not siloed in finance.
<b>How</b>	Monthly cross-functional review focused on operational causes, not just numbers. Connects daily execution to financial outcomes. Drives continuous improvement and system updates. Scenario impacts and forecast variances.

<b>What</b>	Build a Culture of Variance Accountability and Strategic Spend Alignment
<b>Why</b>	This creates a culture where financial discipline and execution discipline are inseparable.
<b>Background</b>	Forecasts are only useful if deviations trigger action.
<b>How</b>	When actuals deviate from forecast, leaders must present a corrective execution plan, not excuses. Use the rolling forecast to pivot strategy in real time. Tie every departmental spend to OKRs; eliminate costs not linked to strategic priorities. Make variance accountability a leadership KPI.

**Closing Thought** No CapEx is approved without a clear Velocity Objective and measurable ROI tied to Leading Indicators.

