

Financial Discipline & Compliance

Cash-Flow Planning: Managing Collections, Payments and Working Capital

HBC Business Consultancy · 23 October 2026 · 2 min read



A business can record sales and still lack cash to pay rent, salaries or suppliers. Cash-flow planning focuses on when money is expected to arrive and when it must leave, helping management identify gaps before they become urgent.

Understand the difference between sales and cash

A sale made on credit may be recorded before the customer pays. Meanwhile, rent, wages and suppliers may require payment on fixed dates. Track both sales performance and actual cash movement.

Prepare a rolling cash forecast

List opening cash, expected receipts and planned payments by week for the coming 8 to 13 weeks, adjusting the period to suit the business. Use realistic collection dates, not only invoice due dates. Include rent, payroll, taxes, utilities, loan commitments, stock purchases and essential maintenance.

Manage receivables actively

Issue accurate invoices promptly, confirm payment terms and follow up before and after due dates. Keep a schedule of amounts owed, age of debt, promised payment dates and next actions. Resolve disputes early and assess customer credit risk before extending more credit.

Plan stock and supplier payments

Too much slow-moving stock ties up cash; too little stock can cause lost sales. Use sales history and lead times to plan replenishment. Discuss supplier terms early and do not make commitments the forecast cannot support.

Set priorities and approval controls

When cash is tight, management should understand which payments are legally required, essential for safety and operations, or negotiable. Avoid arbitrary decisions that create avoidable harm. Escalate expected shortfalls early and communicate with affected stakeholders responsibly.

Build scenarios

Prepare a base forecast, a cautious scenario with slower collections and a stronger-sales scenario. Ask what happens if a major customer pays late or a supplier price rises. Agree in advance what spending can be deferred and who approves changes.

Example: a service business

A consultancy may complete work in October but receive payment in December. If salaries and rent fall due in November, management needs a plan for the timing gap, not simply a report showing that the job was profitable.

Review weekly

Compare actual receipts and payments with the forecast, update assumptions and record decisions. Forecasts are estimates, so their value depends on timely updates and realistic inputs.

Key takeaway

Cash-flow planning is a forward-looking discipline. Forecast timing, follow up receivables and make spending decisions using current evidence.

Next step

HBC Business Consultancy can help prepare a cash-flow forecast, review receivables and establish a practical working-capital routine.

Editorial note

This article provides general business information and is not individualized financial, lending, insolvency or legal advice. Obtain qualified advice before major financing or creditor decisions.