Flipside Finance



Why you should NOT RELY on SINGLE FINANCIAL STATEMENT









INCOME STATEMENT

WHAT DOES IT TELL YOU?

It's your **earnings' guide**, helping you understand where your money **comes** from (income) and where it **vanishes** (expenses).

WHEN DOES IT BECOME THE ONLY FOCUS?

When you focus on as much profit as possible, by cutting costs and discounting products.

Short-termism

When you prioritize earnings today by cutting R&D expenses for tomorrow.

Profit-Driven Mindset <

WHY IS IT THE WRONG APPRAOCH?

- Your go for unsustainable sales tactics.
- Excessive cost-cutting forces you to compromise on quality.
- You tend to overlook long-term investments.





BALANCE SHEET

WHAT DOES IT TELL YOU?

It is your **financial snapshot**, showing what you **own** (assets), what you **owe** (liabilities), and the **net value** you've built (equity).

WHEN DOES IT BECOME THE ONLY FOCUS?

When you focus too much on future i.e. overlook immediate competitive needs.

Safe playing

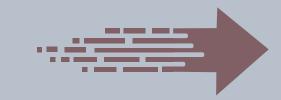
When you overly
emphasize on riskavoidance by skipping
risky yet lucrative
opportunities.

Long-termism ~



WHY IS IT THE WRONG APPRAOCH?

- Always staying in safe-zone stifles your business growth.
- Your decisions become more conservative, and less creative.





CASHFLOW STATEMENT

WHAT DOES IT TELL YOU?

It is your financial weather report, telling you if it's raining cash (inflow), or if there's a drought (outflow).

WHEN DOES IT BECOME THE ONLY FOCUS?

When you always want some cash in your pocket rather

than investing it.

Cash-

consciousness

Proactivity

When you plan for the expenses and pay them off right away as soon as they arise.

WHY IS IT THE WRONG APPRAOCH?

- You may start hoarding cash.
- You tend to adopt unrealistically short credit terms
- You start reducing staff and resourcesadopting excessively lean operations



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