

SHOWCASE

THE “THREE C” FINANCIAL ELEMENTS YOU NEED TO GET RIGHT TO ENSURE COMPETITIVE EDGE OF YOUR ENTERPRISE



A properly managed financial function is integral to any business enterprise, to achieve sustainable success. It starts from very basic part of your business plan and goes in line with the overall enterprise goals. The three basic “C” of your Finance Function can be easily managed with little, but regular attention.

1. THE CAPITAL ELEMENT

Your business model should be such that it adds to your capital element with every passing day and increasing business volume. A strategy to maintain sufficient levels of working capital, current assets and current liabilities that not only helps to meet the expense obligations but also ensures sufficient cash flow to assist in long term business goals and scale of business.

2. THE COST ELEMENT

Prediction of cost elements and managing it in line with business needs is important. It starts with identifying enterprise's revenue and cost drivers, and thus identifying the cost drivers, which are not directly related to revenue and can be kept at optimum level with better management. Every cost element should be properly budgeted and managed in advance and should avoid drainage of your capital. The cost items may vary from short terms to long term but the key is that they should add to benefit in real time to the business i.e. if it's a short term cost, it should result in greater revenues or productivity and if its long term cost, it should add on capital value of the enterprise in real time, which will give a greater returns in future

3. THE COMPLIANCE ELEMENT

The Compliance element goes beyond the statutory compliances to the enterprise's internal set of rules and standards. You need to ensure that the team is adhering to the given set of rules without compromise so that every designed function within enterprise works towards the same goal which is sustainable success. It can be started with listing all the applicable compliance and designing structure to achieve them. But there should be research team functioning in background which ensures the best practices, keeps updated to the latest developments as the compliance element is very dynamic and keeps evolving.

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“Charles Darwin was the first person to put wheels on a chair, creating the modern office chair.”