



# THE OAKWORTH GROUP

-Strategic Financial Modeling & Advisory

## Cash Flow & Runway Module - Instruction Manual

### Important Notice

The Cash Flow & Runway Module is a general-purpose financial tool developed for educational and evaluation purposes. It is not institutional-grade modeling and does not constitute financial, investment, or strategic advisory. The module is not tailored to any specific business or operational scenario.

All outputs generated by this model are indicative and should not be used as the sole basis for critical financial decisions. The Oakworth Group assumes no responsibility for any decisions, actions, or outcomes resulting from the use of this tool. Users are strongly advised to seek professional consultation for case-specific analysis.

### Overview

The Cash Flow & Runway Module (Starter Version) provides founders and operators with a structured framework to understand cash movement, track burn rate, and estimate operational runway.

This module is intentionally designed to be simple, clear, and actionable, serving as a practical tool to illustrate the relationship between revenue, costs, and cash sustainability over time. It allows users to anticipate funding needs and assess the financial resilience of their startup.

### How the Model Works

The model organizes financial information into a structured workflow covering revenue, costs, cash flows, and runway estimation.

#### **Revenue Projection**

Revenue is projected based on an initial input and monthly growth rate. The module calculates opening revenue, growth-adjusted revenue, and closing revenue for each period.

#### **Cost Structure**

Costs are divided into fixed and variable components:

- Fixed Costs: Base operating expenses that can be projected with a growth rate; remain relatively stable
- Variable Costs: Expressed as a percentage of revenue; scale automatically with business growth

#### **Net Cash Flow**

Net cash flow is calculated as total revenue minus total costs, providing insight into monthly cash movement.

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### **Cash Balance Tracking**

The model tracks opening cash balance, monthly net cash flow, and closing cash balance. This provides visibility into cash position and liquidity trends.

### **Capital Injection Logic**

If the cash balance falls below zero, the model highlights the funding required to sustain operations, enabling proactive financial planning.

### **Burn Metrics**

Gross burn represents total monthly expenses, while net burn captures cash loss after revenue. These metrics support operational discipline and financial assessment.

### **Runway Calculation**

Runway estimates how long the startup can survive with current cash reserves and net burn rate. Positive net burn results in calculated runway, while negative net burn (profitability) indicates extended or effectively infinite runway.

## **What This Module Covers**

### **Revenue**

- Initial Revenue
- Growth Rate
- Monthly Revenue Projection

### **Costs**

- Fixed Costs
- Variable Costs (% of Revenue)

### **Cash Flow**

- Net Cash Flow
- Monthly Cash Movement

### **Cash Position**

- Opening Cash Balance
- Closing Cash Balance

### **Burn Metrics**

- Gross Burn
- Net Burn

### **Runway**

- Estimated survival duration
- Profitability indicator

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### **How to Use the Module**

#### **Step 1: Enter Inputs**

- Populate blue-colored cells with revenue, growth rates, costs, and starting cash
- Select options from dropdowns where applicable

#### **Step 2: Review Calculations**

- Observe revenue and cost evolution over time

#### **Step 3: Analyze Outputs**

- Assess net burn, cash balance trends, and runway
- Identify potential funding requirements

#### **Step 4: Maintain Model Integrity**

- Grey cells contain formulas; do not edit
- Only designated input fields are editable

### **Model Integrity and Protection**

The module is protected to prevent accidental modifications. Core calculations and logic are secured, ensuring consistent and reliable outputs. Users should restrict edits to input fields only.

### **Licensing and Usage**

This module is provided solely for personal or evaluation purposes. Commercial use, redistribution, resale, or modification is strictly prohibited. All intellectual property, including model structure, logic, and branding, remains the property of The Oakworth Group. Rebranding or renaming is not permitted.

### **Disclaimer**

The module is based on generalized assumptions and simplified logic. It does not capture the full complexity of operational or financial scenarios in real-world businesses. Results may differ materially from actual performance. The Oakworth Group is not liable for decisions made based on this tool.

### **Final Note**

This starter-level module demonstrates cash flow awareness, financial discipline, and runway estimation.

Advanced versions may include:

- Integrated financial statements
- Scenario-based forecasting
- Funding strategy planning
- Customized advisory solutions

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