

GreenVETAfrica

Business management in green waste industry module

Unit 2: Business Planning And Strategy



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Overview

- What is financial management?
- Basics of financial management for waste management businesses





What is financial Management?

Financial management is the business function that deals with the **planning**, **organizing**, **directing** and **controlling** of the financial resources of an enterprise or an individual

Basics of financial management for waste management businesses



1. Budgeting and forecasting

- Revenue Forecasting

✓ Estimation of the potential revenue streams including:

- service fees,

- contract revenues, and

- sales of recycled materials or recovered resources.



■ Cost Estimation

✓ Identification and estimation of various costs including:

- personnel expenses,
- equipment costs,
- fuel and transportation expenses,
- facility maintenance costs,
- regulatory compliance costs, and
- administrative overheads.



■ Capital Expenditure Planning

✓ Determination of capital investment requirements for acquiring and maintaining essential assets and infrastructure such as:

- waste collection vehicles/tricycles,
- recycling facilities,
- waste treatment plants, and
- landfill sites.

■ Operating Budget

✓ Outline of projected income and expenses over a specific period such as:

- a fiscal year or quarterly period.



2. Cash Flow Management

✓ Development of cash flow projections to meet:

- operational expenses,
- debt obligations, and
- investment requirements.





3. Cost analysis and pricing strategies

- ✓ Identification and quantification of cost components associated with service delivery through:
 - Fixed costs (e.g., facility rent, administrative expenses) and
 - variable costs (e.g., labor, fuel, maintenance, etc.)



4. Cost Allocation

- ✓ Allocation of indirect costs and overhead expenses to specific services or customer segments
- ✓ Implementation of activity-based costing

5. Competitive Pricing Analysis

- ✓ Competitive pricing analysis against competitors in the waste management industry



6. Financial reporting and performance evaluation

- ✓ Preparation of Financial Statement
- ✓ Analyses of profitability metrics such as:
 - gross profit margin,
 - operating profit margin, and
 - net profit margin

How do we manage our finances in our business?



Possible Outcomes

- 1.
- 2.
- 3.
- 4.
- 5.

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Thank you



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