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LATEST EPISODE

KNOW YOUR NUMBERS: FROM SUPPLY CHAIN TO CASH FLOW

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EPISODE AT A GLANCE

Cost pressures are hitting every New Zealand business – rising freight, tighter margins, and cash flow timing that catches even profitable companies off guard. In this episode, BDO's Kaison Chang and supply chain specialist Sébastien Mallevialle break down **when to reprice, where to find hidden savings in your supply chain, and how to stay ahead with a simple cash flow forecast.**

HOW IT WORKS - 3 KEY PRINCIPLES

1. **Distinguish temporary from structural costs** before touching your prices. A temporary fuel spike may be manageable – a new minimum wage cannot. Getting this wrong either damages customer relationships or destroys your margins.
2. **Exhaust your supply chain levers first** – suppliers (better terms, volume rebates), freight (benchmark the market for 10–20% savings on freight costs), and inventory (reduce excess stock to free up cash) – before raising prices
3. **Maintain** a rolling 2–3 month **cash flow forecast** – even a simple one. Most businesses that hit trouble are profitable on paper but have the timing of cash in and cash out wrong. Forecast it, and you see problems one to two months before they hit.

FINANCE PERSPECTIVE

- Analyse gross margins and SKU-level data
- Know your cash break-even point
- Use a simple rolling cash flow forecast
- Talk to your bank and IRD early

Act fast: waiting too long is the most common and costly mistake

SUPPLY CHAIN PERSPECTIVE

- Benchmark freight costs – 10–20% savings often available
- Negotiate supplier terms before repricing
- Reduce excess inventory to free up cash
- Embed cost escalation clauses in contracts upfront

Focus: one area, three months, maximum impact

> *The businesses that come out ahead aren't the ones who react – they're the ones who plan. Review your supplier terms, benchmark your freight, know your numbers. The opportunity is there for those who take it.*

LINKS & RESOURCES

HSCMsolutions
Your Supply Chain Competitive Advantage

BDO

KEY CONTACTS

Sébastien Mallevialle
Founder & Managing Director, HSCM Solutions
Sebastien.Mallevialle@hscmsolutions.com

Kaison Chang
Associate Director, BDO Auckland
Kaison.Chang@bdo.co.nz