Twitter Thread by Ali Ladha

Ali Ladha
@AliTheCFO

You can't run a business without understanding your numbers

10 threads to help you master the basics:

1/ Balance sheet

How to understand a Balance Sheet
By: @10kdiver

https://t.co/Wwvsoxu3Ao

> 1/
>
> Get a cup of coffee.
>
> In this thread, I'll show you how to read and understand a company's Balance Sheet.
>
> As investors, we should be able to judge businesses by looking at their financial statements.
>
> And the Balance Sheet, of course, is 1 of 3 key financial statements: pic.twitter.com/6D0HA0vmEN
>
> — 10-K Diver (@10kdiver) February 5, 2022

2/ Income Statement

How to Read an Income Statement
By: @BrianFeroldi

https://t.co/A6WZXIbKlF

> Accounting is the language of business.
>
> If you buy stocks, you MUST learn how to read an income statement

Here\u2019s everything you need to know:

— Brian Feroldi (\U0001f9e0,\U0001f4c8) (@BrianFeroldi) July 28, 2021

3/ Earnings vs. Cash Flow

The difference between “Earnings” and “Cash Flow”
By: @10kdiver

https://t.co/zeGQbFH7l1

1/

Get a cup of coffee.

In this thread, I'll walk you through the key differences between *earnings* and *cash flows*.

The punch line: Just because a company reports $1 of *earnings*, it does NOT mean the company has $1 more *cash* to distribute to owners. pic.twitter.com/MUPiYfd1Qc

— 10-K Diver (@10kdiver) July 4, 2021

4/ Increase Cash Flow

How to increase Cash Flow in your business:
By: @KurtisHanni

https://t.co/rysbaamlLP

There are endless ways to increase cash flow in your business, and

as a Chief Financial Officer, here are my 9 favorites:

— Kurtis Hanni (@KurtisHanni) April 5, 2022

5/ Cash Flow Statement

How to understand the movement of cash in/out of a company
By @BrianFeroldi

https://t.co/1mj2fSTNuX

The cash flow statement shows how cash moves in and out of a company over a period of time.

The most common time periods are:
\u25aa\ufe0f1 Quarter
\u25aa\ufe0f1 Year

\u25aa\ufe0fYear-to-date (usually 6 or 9 months)

The time period is at the top. Here's $NFLX recent cash flow statement time period. pic.twitter.com/Fm3doq2MGk

— Brian Feroldi (\U0001f9e0,\U0001f4c8) (@BrianFeroldi) November 11, 2021

6/ Tax Savings

Why earning business income creates opportunities for tax savings and wealth creation
By: @baldridgecpa

https://t.co/opd1ODpKks

Owning a small business is the best tax deal in America.

Whether it's a $10K side hustle or $10MM business, earning business income opens up amazing opportunities for tax savings and wealth creation.

Let\u2019s walk through how it works
\U0001f9f5\u2b07\ufe0f

— Mitchell Baldridge (@baldridgecpa) February 18, 2022

7/ Financing

Understanding financing options for a business
By: @IAmCoachClint

https://t.co/Z34coYIl0Z

To optimize your business returns, you must understand your financing options.

Here is what you need to know:

— Coach Clint (@IAmCoachClint) March 22, 2022

8/ Annual Report

How to Read an Annual Report
By: @heymaxkoh

https://t.co/wXQLXSvWB3

How to read an Annual Report in 1 hour.

A step by step guide for busy people:

— Max Koh (@heymaxkoh) April 4, 2022

9/ Losing money

When people say a business is “losing money” – what does it mean?
@trengriffin

https://t.co/LajQso4cHm

> Whenever you read or hear the phrase "losing money" you should ask yourself: what does this person mean?
>
> 1. GAAP earnings?
> 2. Cash flow?
> 3. Unit economics?
>
> The phrase is so unspecific that it should not be used unless money in physical form is lost.https://t.co/r13Nabl3vd
>
> — Tren Griffin (@trengriffin) October 17, 2019

10/ Accounting Basics

Understanding accrual accounting:
By: @alithecfo

https://t.co/Fw1AIeyncn

> If you run a business, you MUST understand accounting
>
> Here is what you need to know:
>
> — Ali Ladha (@AliTheCFO) March 20, 2022

If you learned something new in this thread, retweet it!

Let's learn together and follow @AliTheCFO

I tweet about:

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• Business
• Personal Growth