GROW CAREFULLY

Savings vs finance decision guide

Name _____ Business _____ Date _____

You will finish with
What one growth spend costs with savings and with finance, a slow-month check on each, and your choice.

1. The spend and your buffer

What I need to pay for and the amount (e.g. Delivery bike R35 000). If you did the worksheet for Before You Buy Equipment or Taking on a Big Contract, use that total.

A **cash buffer** (money you keep for slow months, late payments and repairs, not for growth).

Cash buffer I must keep: essential costs per month × months (e.g. R15 000 × 1 = R15 000)

Money in - Money out in my slowest month = Money left in a slow month (e.g. R18 000 - R14 000 = R4 000). If you did this on the hiring worksheet, copy it.

2. Option A: use savings

Savings I have now - Amount needed = Cash left after buying (e.g. R50 000 - R35 000 = R15 000)

- **CHECKLIST**
  - ☐ Cash left after buying is the same as or more than my cash buffer
  - ☐ I could still pay wages, rent and suppliers if a customer paid 30 days late

3. Option B: use finance

Finance (money you borrow and pay back over time, with interest and fees, e.g. a loan or hire purchase). Ask the lender for a written quote and copy the numbers here.

Finance quote	Amount
Lender name	
Deposit (R)	
Monthly repayment (R)	
Number of months	
Once-off and monthly fees, added up (R)	

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Deposit + (Monthly repayment × Number of months) + Fees = Total cost with finance (e.g. R5 000 + (R1 100 × 36) + R1 500 = R46 100)

Total cost with finance − Amount needed = Extra cost of borrowing (e.g. R46 100 − R35 000 = R11 100)

Money left in a slow month − Monthly repayment = Left after repayment (e.g. R4 000 − R1 100 = R2 900)

- **CHECKLIST**
  - ☐ Left after repayment is above R0
  - ☐ The item or contract will bring in more each month than the repayment

Either way

1. Do not spend your whole buffer on growth.
2. Do not borrow to cover ongoing losses. Fix the cause first.

4. Decide

- **CHECKLIST**
  - ☐ Savings: both boxes in Option A ticked
  - ☐ Finance: both boxes in Option B ticked, and I accept the extra cost
  - ☐ Mix: deposit from savings, finance for the rest (fill in Option B again for the smaller amount)
  - ☐ Wait and save first

- **NOTE**

This is an educational comparison only, not credit advice. Speak to a qualified adviser and read the full agreement before you sign for finance.

Next step

What I will do (e.g. get a written quote from a second lender) _____

Who will do it _____

By when _____

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