

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/A6WZXIbKIF>

Accounting is the language of business.

If you buy stocks, you MUST learn how to read an income statement

Here's everything you need to know:

— Brian Feroldi (@BrianFeroldi) [July 28, 2021](#)

3/ Earnings vs. Cash Flow

The difference between “Earnings” and “Cash Flow”

By: [@10kdiver](#)

<https://t.co/zeGQbFH711>

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\u2013 Quarter

\u25aa\u2013 Year

Year-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 (@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's walk through how it works

— Mitchell Baldridge (@baldridgecpa) [February 18, 2022](#)

7/ Financing

Understanding financing options for a business

By: [@IAmCoachClint](#)

<https://t.co/Z34coYII0Z>

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/Fw1Aleyncn>

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](#)

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- Finance
- Business
- Personal Growth