



Financial Clarity for Founders

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**Enterprising
Futures** atLSBU



Financial Clarity for Founders

Know Your Numbers.

Make Better Decisions.

Sleep Better.



Usman Azam


Founder & Director **UA TAX**


- Chartered Accountant and Chartered Tax Adviser
- Over 10 years of experience working with founders and business owners to bring clarity to their finances.
- Helping start-up founders understand their numbers, improve cash flow, and make smarter financial decision without unnecessary jargon.
- Empowering founders to lead with confidence through financial clarity.




The Profitability Roadmap

 **The Core Four:** Mastering the DNA of your business: Revenue, Costs, CAC, and AOV.

 **Margins:** Gross vs. Net - Difference between "busy" and "profitable."

 **The Unit Lens:** Calculating profit per customer to dictate pricing and strategy.

 **Practical Examples:** How a minor change can have a huge impact on profitability and cashflow.



The Core Metrics Every Founder Must Know

Revenue

- Total income generated from customers
- Growth matters, but quality of revenue matters more

Costs

- Fixed costs (rent, software, salaries)
- Variable costs (marketing, fulfilment, transaction fees)

Customer Acquisition Cost (CAC)

- How much it costs to acquire one customer
- If CAC is too high, growth becomes risky

Average Order Value (AOV)

- Average revenue per transaction
- Increasing AOV often improves profitability faster than chasing new customers

Why margins matter?

Gross Margin

- Revenue minus direct costs
- Shows how profitable each sale really is

Net Margin

- What's left after *all* costs
- The true measure of business sustainability



Are your margins healthy or Risky?

Lets Check →

You can grow revenue and still lose money if margins are weak.



Understanding Profitability Per Customer

Unit Economics

 **Unit Economics** answers one question:

Do we make money on each customer over time?


- Profit per customer
- Costs to acquire and serve that customer
- Time to recover CAC (payback period)

If unit economics don't work, scale makes losses bigger.

"The Trendy Tote"



- Selling Price: £150
- Cost of Goods (COGS): £30 (Materials, manufacturing, packaging)
- Operating Expenses: £90 (Rent, marketing, staff, software)

 Gross Margin?

 Net Margin?



This business has a 80% Gross Margin. Is it healthy or risky?

- Gross Profit: $\pounds 150 - \pounds 30 = \pounds 120$
- Net Profit: $\pounds 120 - \pounds 90 = \pounds 30$

- Gross Margin: 80%
(Looks great!)
- Net Margin: 20%
(The reality check)

The Verdict?

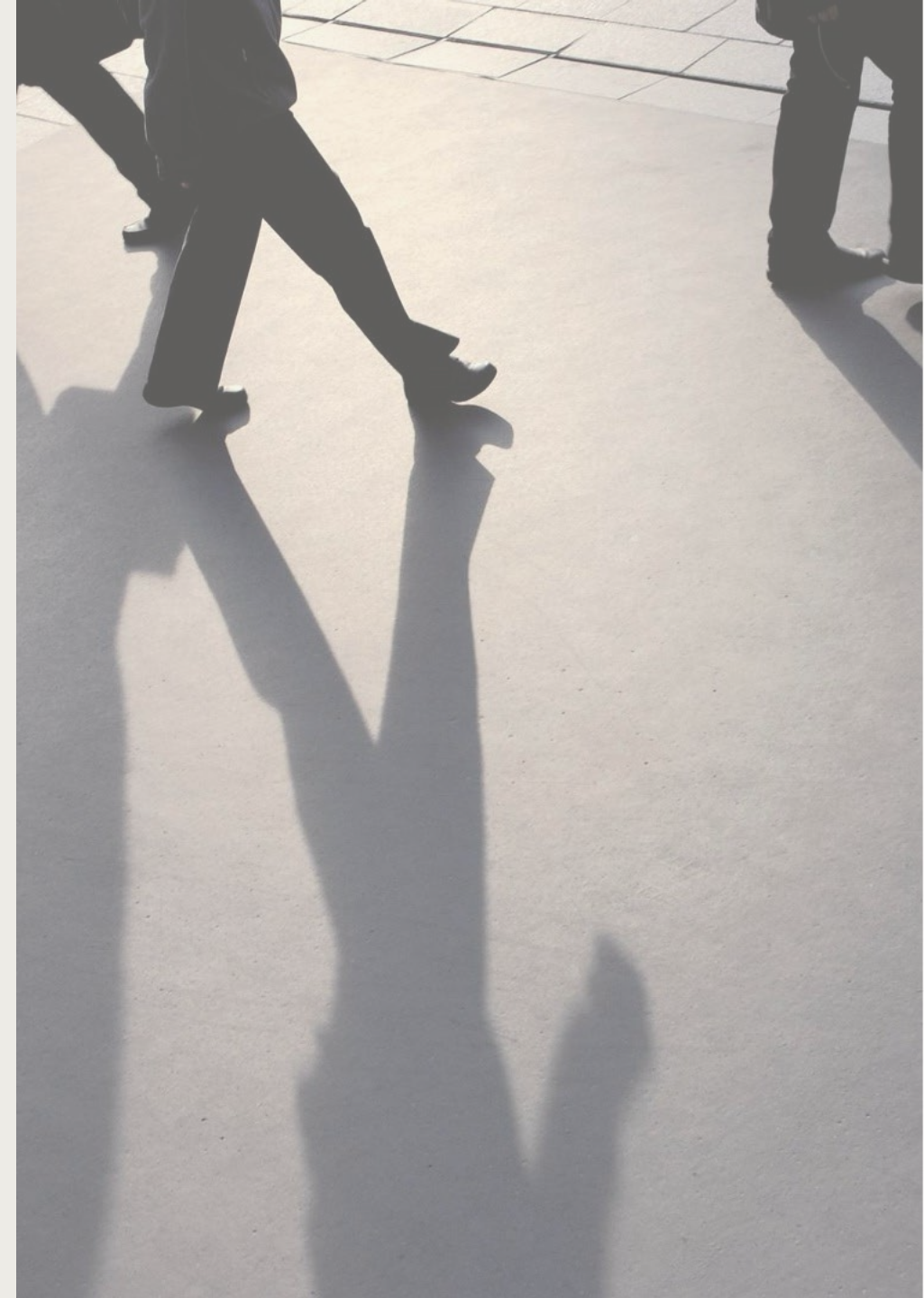
How Founders Use Unit Economics?

💡 Unit economics help you decide:

- Pricing strategies
- Marketing spend
- Hiring and expansion timing
- Which customers or products to double down on

📊 Ways to optimise:

- Reduce CAC through better targeting and retention
- Increase AOV through bundles, upsells, and pricing
- Improve margins by controlling direct costs
- Extend customer lifetime value (LTV)



The Unit Economics Scorecard

Metric	Formula	Example Calculation	Result
Customer Acquisition Cost (CAC)	Marketing spend / New Customers	£1,000 / 50 Customers	£20
Average Order Value (AOV)	Total Revenue / Total Orders	£4,000 / 80 Orders	£50
Gross Margin	Revenue per Customer - Variable Cost	£50 (AOV) - £20 (COGS)	£30
Payback period	CAC / Monthly Profit per Customer	£20 (CAC)/£10 (Avg Monthly Profit)	2 Months

Lets see this in practice →

“Beware of little expenses; a small leak will sink a great ship.”

“Benjamin Franklin”

That's all from my side – any questions before we balance the books?



Thank you

