

Working Capital: The Hidden Driver of Business Growth

You can have a profitable business and still run out of money. Working capital is why.

Working capital is the difference between your current assets, cash, receivables, and inventory, and your current liabilities, payables, short-term debt, and accrued expenses. It is the fuel that keeps day-to-day operations running.

Most founders focus on revenue and margin. Working capital does not get attention until there is a crisis, and by then, the options are expensive.

What I See Most Often in Growing Businesses

Receivables are too slow. You are billing on 30-day terms and collecting on 60 or 90. That gap comes out of your cash.

Inventory is too high. Whether it is product or materials, excess inventory ties up cash that could be deployed elsewhere.

Payables are too fast. Many businesses pay vendors faster than they need to, simply because no one has optimized the terms.

Growth itself consumes cash. A fast-growing business often needs more working capital, not less, because revenue is being invested before it is collected.

The businesses that scale without constant financial strain are the ones that manage these cycles deliberately, not reactively.

Working capital is not an accounting concept. It is a strategic lever.

Let's talk about how your business manages its cash cycle. Upfront Clarity helps growing companies turn working capital into a growth advantage. Start with a free conversation at www.upfrontclarity.com or call (203) 530-1180.