Exercise 2.D: Cash Flow Simulation – Handling a Delayed Payment

Concept Focus: Decision-Making & Cash Flow Resilience

Format: Individual Work + Group Discussion

Duration: 10 minutes

Purpose: Work through a case study: delayed client payment - adjust your plan.
Even the best plan can go off track when a client pays late. This simulation helps you test your plan's flexibility and practice quick, smart responses to cash gaps.

Scenario: You are a freelance designer who expected €1,000 from a project in Month 1. The client delays payment until the end of Month 2.

Your expenses remain the same, and you still need to pay for materials and subscriptions.

Task: Adjust Your 2-Month Plan

Step 1: Update Your Budget (5 min)

Fill in the "Old Balance" column using the expected monthly balance from **Exercise 2.A. Step 4**. Then move the €1,000 income from Month 1 to 2.

Record your new monthly balances:

Month	Old Balance (€)	New Balance (€)	Difference (€)
Month 1			
Month 2			

Co-funded by
the European Union

Step 2: Identify the Problem (5 min)

- What happens to your cash flow in Month 1?

Reply:

---

*Let's Reflect - **Plan, Analyse and Act slide***

- Do you have enough liquidity to cover essential costs?
- Which bills or expenses could be postponed safely?

Brainstorm realistic actions to handle the delay, such as:

- *Negotiate partial payment or deposit.*
- *Delay non-essential expenses (marketing, materials).*
- *Use savings buffer or short-term freelance work to cover the gap.*
- *Adjust next month's pricing to compensate.*

Write down at least two strategies you could apply:

1. ______________________
2. ______________________

Co-funded by
the European Union