Money in the Shop, Money in Your Pocket

A plain-words money book for kasi businesses



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CHAPTER 1

Shop money is not home money



Be honest, we have all done this. The till did not say a word.

Sis Nomsa runs a tuck shop from her yard in Protea Glen. Every Friday the till is full. Notes, coins, airtime money. She feels rich.

By Wednesday she cannot buy stock. The till is empty and she does not know where it went.

Here is what happened. Monday, R150 for school shoes, from the till. Tuesday, R80 for taxi to her aunt, from the till. Wednesday, R120 for a braai pack for the family, from the till. Not one of these was a bad idea. But the shop paid for all of them, and nobody wrote it down.

Her shop did not lose money. Her **home** spent the shop's money. The shop never knew.

Be honest: have you ever taken 'just a little' from the till for a braai pack? Us too.

The one rule

The till is not your wallet. Shop money pays for the shop: stock, electricity, transport, helpers. Home money pays for the home. When they mix, you cannot tell if the shop is making money. And a shop that does not know it is making money cannot grow.

A simple test

Ask yourself: *If I put back all the money I took from the till this month, would the shop have enough to buy stock?* If the answer is no, you are not running a business yet. You are running a very busy purse.

How to split them (three steps)

1. Two tins, or two pockets. One marked SHOP. One marked HOME. Every sale goes in SHOP. Nothing leaves SHOP without being written down.

2. Give yourself a wage. Pick an amount, say R500 a week. On Friday you take that, and only that, from SHOP into HOME. Chapter 6 shows you how.

3. Home needs something from the shop? Take stock home like a customer. Write it down and pay for it. A loaf is a loaf, whoever eats it.

What changed for Sis Nomsa

After a month of two tins and a notebook, Sis Nomsa knew three things: the shop sold about R4,200 a week, stock cost about R2,800, and the rest paid for electricity, transport and her wage. The R150 for school shoes now came out of her wage, not the till. She still bought the shoes. Her shop just stopped being surprised.

Sis Nomsa is an example character. Figures are made up to show the idea.

> **SHO'T LEFT, DO THIS TODAY**
>
> Get two containers. Write SHOP on one and HOME on the other.
>
> Put today's takings in SHOP.
>
> Write one line in a notebook: today's date and how much came in.

CHAPTER 2

Know your numbers



Busy? Definitely. Rich? The notebook has not been asked yet.

Bra Sipho has a spaza in Orlando East. Ask him how the shop is doing and he says, "Eish, busy." Ask him if he made money this month and he goes quiet.

Busy is not the same as making money. You can serve queues all day and still go home with nothing. To know, you only need **three numbers**.

Be honest: how many times did you say "eish, busy" this week?

The three numbers

1. Money in. Everything customers paid you. Cash, card, eWallet, airtime and electricity sales. All of it.

2. Money out. Everything the shop paid. Stock, electricity, taxi to buy stock, airtime for the shop phone, a helper's wage, rent if you pay it.

3. What is left. Money in minus money out. This is what you are really earning.

Bra Sipho does his Friday numbers

	This week
Money in (sales)	R5,000
Stock he bought	R3,100
Electricity, taxi, airtime	R600
Money out (total)	R3,700
What is left	R1,300

Example figures, made up to show the idea.

R1,300 left. That is the money for his wage and for growing the shop. Last week he guessed he made R2,500. He was wrong by more than a thousand rand.

Do it on the same day every week

Friday works for many shops, because the money comes in. Pick a day. Do it at the same time. Fifteen minutes, with a notebook and a calculator. A guess feels nice. A number helps you decide.

If the number is small

Do not panic. A small number you know is better than a big number you imagined. Next chapters show you how to grow it: what to buy, how to price, and where the money leaks.

Use the Shop Money Tool (page 23) if you want the sums done for you. Or just a pen and paper. Both work.

> **SHO'T LEFT, DO THIS TODAY**
>
> Write today's date at the top of a page.
>
> Write three words: IN, OUT, LEFT.
>
> On Friday, fill in the three numbers for this week.

CHAPTER 3

Stock first, takkies later



The mirror is thrilled. The shampoo is not.

Sis Lerato has a hair salon in Meadowlands. She saw a lit-up mirror for R2,400. It looks sharp. It will make the salon look like a big city one. She wants it.

But her shampoo is nearly finished, the dryer is shaky and the electricity is due. Money for the mirror is money not going to those.

If a mirror is on your list before the shampoo, put the pen down and take a breath.

Needs and wants for a business

A need keeps the doors open or brings customers in: stock, electricity, rent, transport to buy stock, a working tool, airtime for bookings, loan payments.

A want is nice to have: a new sign, extra decorations, a second fridge before the first one has paid for itself, the mirror.

Wants are not bad. A good shop gets its wants. But **after** the needs are paid, and with money you can afford.

One question before you spend

Will this help me sell more, or lose less, this month? If yes, it may be a need. If you cannot say how, it is probably a want. Wait.

The order

First pay what the shop must pay. Then pay yourself. Then save a little. Then buy wants. If you do it the other way around, the shop pays last. Shops that pay last close.

Sis Lerato bought shampoo, fixed the dryer, paid the lights. Three months later, with money set aside, she bought the mirror. Same mirror. Better timing.

> **SHO'T LEFT, DO THIS TODAY**
>
> Write 5 things you want to buy for the business.
>
> Next to each, write NEED or WANT.
>
> Cross out any WANT you cannot pay for this month.

CHAPTER 4

The one-notebook cash book



Wet hands, dry notes. The bucket is now an office desk.

Bra Thabo runs a car wash on a corner in Diepkloof. Cars come all day. At night he cannot say how much he made. The money is somewhere in his pockets, a tin and his phone.

He does not need a computer. He needs **one notebook** and five minutes at night.

Your pocket is not a filing cabinet, and "I will remember" is not a system.



Cash in the socks, cash in the glove box, cash in the cooldrink tin. Finding it is a hobby.

Even Bra Zola, the taxi driver who comes for his Saturday wash, keeps his takings in his socks, the glove box and an old cooldrink can. Last week he found R200 in a shoe and felt rich. That is luck, not a system. He is an example character, and we have all met him (some of us are him).

How to set it up

Draw four columns on a page: **Date, What, Money in, Money out.** Every time money comes in, write it. Every time money goes out, write it. Even the small ones, like R5 for a bucket.

Date	What	In	Out
Mon 5	Washes x 14	R840	
Mon 5	Soap and sponge		R95
Mon 5	Helper Sizwe		R120
Tue 6	Washes x 11, 2 vacuums	R760	

Example, made up.

Why five minutes works

If you write it when it happens, you remember it. If you wait until the end of the week, you remember half. By Friday, adding up the notebook gives your three numbers from Chapter 2 without any guessing.

Rules for the notebook

One notebook only. Not three, not loose papers. If it is lost, you lose a month.

Same place every day. Next to the till or in the same drawer.

Take a photo on Sunday. Send it to yourself on WhatsApp. If the notebook gets wet or stolen, you still have it.

Keep your slips

Receipts from suppliers, electricity slips, airtime slips. Put them in an envelope or tin. When you wonder what something cost, the slip knows. Later, if you ever apply for funding or a loan, a notebook with a few months of numbers shows you run a real business.

You do not have to be neat. You have to be honest and regular.

> **SHO'T LEFT, DO THIS TODAY**
>
> Buy or find a notebook. Rule four columns.
>
> Write today's date and your first line.
>
> Tonight, spend five minutes to write down what came in and what went out.

CHAPTER 5

Price right



Four businesses, four price boards, one rule: count your own costs first.

Mama Dineo sells chicken and pap plates from her braai stand in Dobsonville. She charges R30, because "that's what the stand next to mine charges." She sells out every day, and still she is tired and broke.

Her plate costs her R24 to make, once she counts the chicken, pap, salad, foil, gas and charcoal. That leaves R6. From the R6 she must pay her helper, her stand fee, her taxi and herself. There is nothing left.

The simple way to price

What it costs you to make one + a share of your running costs + the profit you want = your price.

Running costs are things like electricity, rent, helper's wage and taxi. Add them up for the month, divide by how many you usually sell. That is the share each plate, wash or braid has to carry.

Business	Cost of one	Share of running costs	Profit	Price
Braai stand plate	R24	R4	R5	R33
Car wash	R12	R10	R18	R40
Braids (a client)	R150	R60	R90	R300
Loaf of bread (spaza)	R15	R1	R1	R17

Examples, made up. Use your own costs.

But the stand next to me is cheaper

Maybe their costs are lower. Maybe they are not counting everything. Maybe they will close in six months. You do not have to copy the next stand. You have to cover your own costs and pay yourself.

If the number looks too high for your customers, do not just drop the price. Ask: can I lower my cost? Buy in bulk with another stand? Make plates a bit smaller? Or add something customers will pay a little more for, like a cold drink.

When to check your prices

Every time your supplier raises the price, and every three months anyway. Prices of stock go up quietly. If you do not change yours, your profit shrinks quietly.

A word on discounts

A R2 discount on a R17 loaf is nearly all your profit. Think before you give it. Give a discount only if it brings more sales than it costs.

SHO'T LEFT, DO THIS TODAY

Pick your best-selling item.

Work out what one costs you to make or buy, including a share of the running costs.

Is your price higher than that by enough to pay you? If not, think about a change.

CHAPTER 6

Pay yourself



Boss pays worker. Worker is also boss. Same envelope, no fighting.

Mama Zodwa sells vegetables from a stall in Naledi. When she needs money, she takes it from the stall. Sometimes R50, sometimes R300. She never knows if the stall is paying her or just being emptied.

Yes, R300 for airtime "because I am the boss" still counts as money you took.

Choose a wage

Look at your weekly numbers from Chapter 2. After the shop's costs, what is left? Choose a fair amount to take, less than what is left, so that something stays behind for the shop. If R1,300 is left, maybe take R700 and leave R600 for stock and growth.

Pay it on the same day

Friday. Put the wage in an envelope. Write the amount in your notebook as **Owner wage**. Now it is out of the shop and in your home.

What if there is not enough?

Pay a smaller wage. Do not take from stock money. A shop that cannot buy stock is a shop with nothing to sell. If the shop cannot pay a wage your home can live on, the problem is in the numbers. Go back to Chapters 2, 3 and 5.

If you must borrow from the shop

It happens. Write it down as an **IOU**: date, amount, what for. Pay it back from your next wage.

Your wage can grow

After three good months, raise your wage a little. Half of the extra goes to you, half back into the shop.

> **SHO'T LEFT, DO THIS TODAY**
>
> Decide on a weekly wage that is less than what is left.
>
> Write it down.
>
> On Friday, move it from SHOP to HOME, and write it in the notebook.

CHAPTER 7

Stokvel, savings and the rainy-day tin



The tin is guarded. Aunty means business.

Some months are slow: January after the festive rush, a week when the schools close. The shop still has to pay rent, lights and stock. Savings is not for rich people. It is how a shop survives a slow week.

A tin under the bed is a good start. A tin that also pays for the braai is not a rainy-day tin.

The rainy-day tin

A tin, an account or a stokvel pot used for the shop only, and used only for emergencies like a broken fridge or a slow month. Start small. Even R50 a week.

A good first goal: **one month of the shop's running costs.** If your costs are R3,700 a week, that is a big number. So start with one week, then aim for two.

Stokvels

Many of us already know a stokvel: a group saves together and members take turns, or the pot is shared at the end of the year.

Ask the questions before you join: **Who holds the money? Is there a written list of members and rules? What happens if someone does not pay? When do I get my money?** Join people you trust.

Saving for something big

A new fridge or a stand for the car wash? Use the Savings Goal sheet to see how many months it will take, or how much to put away each month to reach it by a date.

Make saving automatic

Pay savings first. On the Friday you pay your wage, move the savings amount at the same time. Saving what is left over does not work, because nothing is left over.

> **SHO'T LEFT, DO THIS TODAY**
>
> Pick one amount to save each week, even if it is small.
>
> Set up a tin, an account or a place for the shop's rainy-day money.
>
> Put the first amount in today.

CHAPTER 8

'Pay me Friday' and other credit



'Friday' is a lovely word. Which Friday is the question.

Bra Tefo has a spaza in Mofolo. Neighbours say, "Please, I'll pay on Friday." He says yes, because they are neighbours and he is a good person. By the end of the month he is owed R1,800 and cannot buy stock.

Giving credit is kind. It is also a loan from your pocket to someone else's pocket. Do it with your eyes open.

"Pay me Friday" is a promise. It does not say which Friday.

If you give credit

Keep a credit book. A separate page with name, date, amount, and when they will pay. Put it where you can see it.

Set a limit. For example, no more than R100 per person, and only for people you know.

No new credit until the old is paid. Say it kindly: "Sharp, once you settle the last one, we start again."

Ask on the day. Do not wait three weeks. Most people pay, but they pay the one who asks first.

If you must borrow money

Sometimes the shop needs a loan: to buy stock or fix a fridge. Do it carefully.

Ask: how many rand will I pay back in total? Not a percentage, not "only a little interest." The full rand amount, in writing.

Can the shop pay it back? Look at your "what is left" number. Can it carry this payment every week or month?

Is the lender registered? Banks and registered credit providers must follow the law. Ask to see proof of registration and a written agreement.

Watch out for the mashonisa trap

A mashonisa is a street lender. Some are fair. Many are not. The danger signs: they keep your ID or your bank card, the interest is high, the agreement is only spoken, or the payback grows every month and never ends. A loan that sorts out this week and breaks next month is not a solution.

If you are already in trouble, speak to someone you trust, or a registered debt counsellor. You are not the first, and there are ways out.

Better first

Before borrowing, try: saving for it (Chapter 7), a stokvel, supplier credit with clear terms, or buying a smaller amount of stock.

> **SHO'T LEFT, DO THIS TODAY**
>
> Open your credit book. Write down who owes you and how much.
>
> Pick the one who owes you most and ask them for it this week, kindly.
>
> Decide your credit limit and write it on the first page.

CHAPTER 9

Stock without stress



The fast sellers are waving. The biscuits at the back are sulking.

Sis Pinky has a tuck shop in Jabulani. She loves a bargain. When the wholesaler offers 10 boxes of biscuits at a discount, she buys all 10. Six months later, three boxes are still on the shelf. That is R450 sitting there, doing nothing.

Stock is money in a different shape. If it does not sell, it is not money, it is weight.

A bargain is only cheap once it leaves the shelf.

Count every week

Pick a day. Count what is on the shelves. Write down what is low, what is gone and what has not moved. A simple list is enough.

Know your fast and your slow

Fast sellers (bread, milk, airtime, cooldrink, maize meal): never run out. Check them most often.

Slow sellers: buy small. If something has not sold in a month, stop buying it, and put it at the front or on special to clear it.

First in, first out

Put new stock behind the old. Sell the oldest first. Food with a date on it is money with a clock.

Buy smart

A discount is only a discount if you sell it all. Ask: will I sell this before it expires or goes out of fashion? If you are not sure, buy half. You can share a bulk order with another shop owner and split it.

> **SHO'T LEFT, DO THIS TODAY**
>
> Count five of your best sellers right now.
>
> Write down what you will buy next time you shop for stock.
>
> Find one slow seller and move it to the front.

CHAPTER 10

Cover your business



Even the fridge is worried about its future.

Things go wrong. A fire. A break-in. A fridge that dies with all the stock inside. Insurance is a way to be ready for the thing you hope never happens.

If your fridge could talk, it would ask for cover too.

What is insurance?

You pay a small amount regularly (a premium). If something bad happens that the policy covers, the insurance company pays, up to an agreed limit. If nothing happens, you do not get the premium back. You paid for peace of mind.

What a small business may want to cover

Stock and goods against fire and theft. **Equipment** like fridges, freezers, hair dryers or pressure washers. **The building or container**, if you own it. **Public liability**, if a customer could get hurt at your place. **Funeral cover** is for the family, but many owners find it is the first thing they sort out.

Questions to ask before you sign

What exactly is covered? What is **not** covered? How much do I pay each month? What is the excess (the part I pay first)? How do I claim, and how long does it take? What happens if I miss a payment? Get the answers in writing. Compare more than one.

Be careful

Buy from a registered, known provider. Never hand over your PIN or card to anyone. If someone pushes you to sign quickly, walk away.

This chapter is general information. It is not financial advice. Speak to a registered insurance broker or provider about what suits your business.

SHO'T LEFT, DO THIS TODAY

Write a list of the three most expensive things in your business.

Ask yourself: if it was gone tomorrow, could I replace it?

Ask one insurer or broker for a quote. Just ask.

CHAPTER 11

Cash, bank and phone money



Your money went digital. It went so fast it forgot to wave.

Customers now pay in cash, by card, by phone or with an eWallet. That is good for business. It also means your money is in more places.

Old habits do not stay at the till when the money moves to the phone.

Keep shop money apart

If you can, open a bank account for the shop, separate from your home account. Even a simple account helps. When your shop money and home money sit together, Chapter 1 happens all over again, just in a phone.

Count all of it

Cash in the tin. Money in the shop account. Money in the eWallet or mobile wallet. Money from card payments. At the end of the week, write all of them in the notebook. All of it is your **money in**.

Know your fees

Banks and wallets can charge for withdrawals, transfers and card payments. Ask what the charges are. A small charge on every sale adds up by the end of the month. Write the fees down as **money out**.

Keep it safe

Never share your PIN, your password or the one-time code (OTP) from your phone with anyone, even if they say they are from the bank. Do not leave a lot of cash in the shop overnight. Bank it when you can.

Keep the record

Bank and wallet statements are proof of what your shop earns. Keep them. When you ask for funding, a loan or a supplier account, they will ask.

> **SHO'T LEFT, DO THIS TODAY**
>
> List every place your shop money lives: tin, account, wallet.
>
> Check the fees on each one.
>
> Add them up on Friday and write the total.

CHAPTER 12

Your 30-day money plan



Four ticks. One full tin. One dancing cat.

You have read the book. Now do it. Thirty days. One small step a week.

Day 30: if you tick every week, buy yourself a vetkoek. A small one.

Week 1: Split and write

Two tins, SHOP and HOME. Start the notebook. Write every sale and every spend. Do your Friday three numbers.

Week 2: Know and price

Check your numbers against last week. Look at the price of your best seller. Does it cover its costs and pay you?

Week 3: Pay and save

Choose your wage. Pay it on Friday. Start the rainy-day tin, even R50. Open your credit book and ask for what you are owed.

Week 4: Stock and cover

Count stock. Move the slow sellers. Check your money places and fees. Ask one insurer for a quote.

Day 30: Look back

Look at four weeks of numbers. What changed? What is left now compared to day 1? Pick one habit that helped the most and keep it for good.

And your business?

Customers cannot buy from a shop they cannot find. Get a free listing on the Soweto Business Directory, and read *Put Your Business on the Map*, our free first book. Need a website page? Ask about our R650 page. Details are on the website at the back.

> **SHO'T LEFT, DO THIS TODAY**
>
> Pick your Day 1 and write the date on the first notebook page.
>
> Stick this page where you can see it.
>
> Do the Week 1 step today.

THE TOOLS

Your two money tools

Shop Money Tool. One sheet for each month. Money in, money out, your wage, and what is left to grow the shop. Fill in the budget, then the actual, and see where the money went. Comes with an example you can delete.

Savings Goal. Tell it what you want (say a fridge for R8,000), what you have and what you can save each month. It tells you how many months. Or pick a date, and it tells you how much to save each month.

How to get them. Download both as Excel files from the SBD website. No computer? Print the PDF versions and fill them in with a pen.

Example (spaza, October)

	Budget	Actual
Total money in	R22,500	R21,700
Total money out	R17,700	R18,250
Left after business costs	R4,800	R3,450
Pay yourself	R3,500	R3,500
Money to grow the shop	R1,300	-R50

Sales came in under budget, so the shop ended R50 short after paying the owner. That is exactly what the tool is meant to show.

SHO'T LEFT, DO THIS TODAY

Download or print the Shop Money Tool.

Fill in last month if you remember it, or start this month.

Come back on Friday and update it.

Haven't read the first book yet?

Put Your Business on the Map is free. Scan the code. More books in this series are on the way, all in plain words, all free.

Book 1: Put Your Business on the Map

Soweto Business Directory

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