**How to See the Future as a Leader – Like You Have a Crystal Ball!**

A leader must wear many hats.

Sometimes a leader must be a ruler who makes the final judgement. Sometimes a leader needs to keep the team calm. And sometimes, a leader must be the one to solve arguments and disputes.

One of the most important jobs of an effective leader of all though, is to effectively see the future. In other words, a leader must be able to anticipate what is just around the corner and predict what challenges and changes will face their organization. This is absolutely crucial, because it is what will allow them to create a more resilient business and to weather any storm. Moreover, it is what will allow them to take advantage of changes in the market and truly flourish rather than just survive.

So how do you do it?

**Financial Modelling**

One answer is to use financial modelling. This is an accounting from strategy that can be useful in all manner of leadership roles – even including leading the household!

The idea is essentially that you’re going to look at the situation your business is in financially and then try to predict how that might change. To do this, you will look at your overheads and your income. How many customers do you have? How much of your sales is profit? What else are you spending money on? How long until you pay off your loans?

This then allows you to make a graph – your financial model – and you can use that in order to plot the future predictions for your earnings. This might be a sharp incline, or it might be a steady plateaux. It may be that it takes a while for you to breakeven.

Either way though, this information now allows you to budget for the future, knowing how much spare cash you’ll have at any given time. Moreovoer, it lets you create imaginary scenarios – seeing how your business would survive an increase in rent for example. If the answer is ‘it wouldn’t’, then you need to change your numbers or set out **contingency plans**!

**Resilience**

Resilience means that a business is able to stand up to all kinds of changes. There are many ways you can make your business more resilient but the best include increasing the number of products or revenue streams you have, having money saved in the bank and paying off all outstanding loans and debts.