

OPEX VS CAPEX VS REVEX VS FINEX - EXECUTIVE CONTROL SHEET

OPEX	CAPEX	REVEX	FINEX
<i>The cost of operations. Day-to-day cost of running the business.</i>	<i>Cost of assets. Investment in long-term assets.</i>	<i>Cost of sales. Direct cost of generating revenue</i>	<i>Cost of money. Cost of financing the business</i>
Time horizon Same financial year	Time horizon Multi-year value.	Time horizon Per transaction	Time horizon Life of the funding
Typical examples Salaries & wages Rent & utilities Marketing spend Software subscriptions Office & admin costs	Typical examples Machinery & equipment Buildings & property Vehicles, Major IT system, Plant upgrades & expansion	Typical examples Raw materials Shipping & fulfilment Sales commissions Payment processing fees Customer acquisition costs	Typical examples Loan interest Bank fees Credit card charges Equity funding costs FX costs
Importance Controls burn rate Protects cash runway Shows short-term efficiency Direct impact on monthly profit	Importance Measures return on investment Drives long-term capacity Creates competitive advantage Affects funding need	Importance Determines gross margin Protects pricing strategy Reveals broken unit economics Directly linked to scalable profit	Importance Optimises capital structure Protects net profit Controls leverage risk Preserves cash flow
Review Monthly management accounts Budget vs actual reviews Profitability analysis	Review Annual strategic planning Before major purchases During expansion phases	Review Monthly margin analysis Pricing decisions Unit-economics reviews	Review Debt refinancing cycles Business funding rounds Cash-flow planning
Impact on financials Direct hit to P&L Reduces taxable profit No balance-sheet asset created	Impact on financials Creates balance-sheet assets Depreciated over time improves operational cash flow if ROI is strong	Impact on financials Reduces gross profit Variable with sales volume	Impact on financials Reduces net income Affects debt ratios Interest may be tax-deductible
Best practices Monitor monthly trends Benchmark against peers Flag fixed vs variable costs Eliminate "silent subscriptions"	Best practices Set capex approval thresholds Track asset utilisation Plan replacement cycles Separate from OpEx clearly	Best practices Track by product/service line Monitor contribution margin Analyse customer lifetime value Continuously optimise supply costs	Best practices Compare funding options Refinance proactively Track effective interest rate Maintain healthy debt ratios
Common mistakes Blurring OpEx with CapEx Missing recurring expenses No formal review cadence	Common mistakes Ignoring lifetime cost of ownership Underestimating maintenance Mixing with OpEx	Common mistakes Ignoring hidden transaction costs No product-level margin tracking Underpricing due to poor RevEx visibility	Common mistakes Over-borrowing too early Ignoring total cost of capital Poor cash-flow forecasting Missing refinance opportunities