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Cash Flow Management Strategies for E-Commerce: A Financial Sustainability Framework in Nigeria

Running title: Cash Flow Management Strategies for E-Commerce in Nigeria

Odo, John Onyemaechi, *PhD, FCA*[1,*] **Nwachukwu, Basilia Chiamaka**, *PhD*[1]

[1] *Department of Accountancy, Godfrey Okoye University, Enugu, Nigeria*

* *Corresponding author: Odo, John Onyemaechi*

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ABSTRACT

The study examined Cash Flow Management Strategies for E-commerce Entrepreneurs within a Financial Sustainability Framework in Nigeria, focusing specifically on the effects of Days Sales Outstanding (DSO) and Days Payables Outstanding (DPO). A descriptive research design was adopted, using a four-point Likert-scale questionnaire to obtain data from e-commerce entrepreneurs in the southeastern region of Nigeria. Data were analysed using descriptive and inferential statistics with the aid of the Statistical Package for the Social Sciences (SPSS). While descriptive statistics were used to summarise the socio-demographic information of respondents, simple linear regression analysis was employed to test the hypotheses. The results revealed that Days Payables Outstanding has a significant effect on E-commerce Entrepreneurs' financial sustainability with a P-value of $(0.007 < 0.05)$, and Days Sales Outstanding has a significant positive effect with a P-value of $(0.002 < 0.05)$. The study concluded that Cash Flow Management Strategies have a significant effect on the financial sustainability of e-commerce entrepreneurs in Nigeria. The study recommended that e-commerce entrepreneurs implement stricter credit policies and employ digital payment platforms to reduce the time lag between sales and cash receipts.

Keywords: *Cash Flow; E-commerce; Financial Sustainability Framework; Management Strategies; Days Payables Outstanding (DPO); Days Sales Outstanding (DSO)*

1. INTRODUCTION

In the highly competitive landscape of digital commerce, effective cash flow management has emerged as a cornerstone of financial sustainability for e-commerce entrepreneurs. Unlike traditional brick-and-mortar businesses, e-commerce ventures operate within a dynamic ecosystem characterized by fluctuating customer demand, rapid technological changes, and volatile marketing expenses (Kraus et al., 2023). The ability to maintain positive cash flow directly influences a firm's capacity to scale operations, invest in innovation, and survive market turbulence. As such, strategic management of cash inflows and outflows is not merely an accounting function but a crucial element of organizational resilience and long-term profitability.

Cash flow management strategies encompass an integrated approach to forecasting, budgeting, cost optimization, and liquidity control. For e-commerce entrepreneurs, these strategies must account for unique challenges such as payment gateway delays, inventory turnover cycles, refund policies, and heavy reliance on digital marketing (Chaffey, 2022). Businesses with effective cash flow frameworks can better anticipate liquidity gaps, negotiate favorable supplier terms, and reinvest profits into growth initiatives. This forward-thinking approach aligns with financial sustainability principles that emphasize resource efficiency, adaptive planning, and the creation of financial buffers to mitigate uncertainty (OECD, 2023).

Recent studies highlight that many online businesses fail not because of a lack of profitability, but due to poor cash flow coordination and inadequate financial oversight (Statista, 2024; Shopify, 2023). Entrepreneurs often focus on revenue generation at the expense of liquidity management, overlooking crucial aspects such as payment timing, credit terms, and operational expense control (Goyal & Rahman, 2022). Therefore, establishing a financial sustainability framework built around cash flow discipline enables businesses to maintain operational continuity and strategic flexibility even during market disruptions. This paper introduces a comprehensive framework for cash flow management strategies tailored to e-commerce entrepreneurs, emphasizing proactive planning, data-driven decision-making, and financial agility. By producing theoretical understandings and practical tools, this study seeks to bridge the gap between entrepreneurial ambition and financial sustainability, offering a roadmap for emerging and established online enterprises to thrive in the modern digital economy.

1.1 Statement of the Problem

In the rapidly evolving landscape of e-commerce, effective cash flow management has become critical for entrepreneurs aiming to achieve financial sustainability. Despite the potential for significant revenue generation, many e-commerce businesses face challenges in managing their cash flow (Cash Conversion Cycle, Current Ratio, Cash Flow Coverage Ratio, Days Sales Outstanding, and Days Payables Outstanding) due to variable income streams, fluctuating consumer demand, and the often high operating costs associated with digital platforms. This complexity is exacerbated by insufficient knowledge of financial management practices and a lack of structured strategies tailored to the unique demands of the e-commerce sector. E-commerce entrepreneurs in this environment often grapple with issues such as delayed payments from customers, inventory management inefficiencies, and the timing of expenses versus revenue inflows. These challenges can lead to liquidity crises, hinder growth opportunities, and ultimately threaten the viability of their businesses.

Existing literature on cash flow management lacks a comprehensive framework specifically designed for e-commerce entrepreneurs, leaving many to rely on traditional financial management strategies that may not adequately address the nuances of online retail. There is a pressing need to investigate effective cash flow management strategies that are aligned with the operational realities of e-commerce businesses. This study aims to develop a Financial Sustainability Framework that outlines tailored cash flow management strategies for e-commerce entrepreneurs. The research seeks to empower e-commerce businesses with the tools and knowledge necessary to maintain healthy cash flow, thus ensuring sustainability and long-term success in an increasingly competitive marketplace.

1.2 Objective of the Study

The main objective of this study is to examine Cash Flow Management Strategies for E-commerce: A Financial Sustainability Framework. The specific objectives were to;

i. Examine the effect of Days Sales Outstanding on E-commerce Entrepreneurs: A Financial Sustainability Framework.

ii. Evaluate the effect of Days Payables Outstanding on E-commerce Entrepreneurs: A Financial Sustainability Framework.

1.3 Hypotheses of the Study

i. Days Sales Outstanding has no significant effect on E-commerce Entrepreneurs: A Financial Sustainability Framework.

ii. Days Payables Outstanding has no significant effect on E-commerce Entrepreneurs: A Financial Sustainability Framework.

2. REVIEW OF RELATED LITERATURE

2.1 Conceptual Review

Cash Flow Management Strategies

Cash flow management strategies center on forecasting, controlling inflows (sales, investments) and outflows (expenses, debt), optimizing accounts receivable (AR) and payable (AP) through better terms/discounts, managing inventory efficiently, building cash reserves, controlling costs, and leveraging technology for real-time insights, all to ensure liquidity, fund growth, and mitigate risks. Cash management refers to the planning and controlling of cash flows into and out of the business (John, 2018). Cash management may also be referred to as the undertaking of all appropriate measures required to ensure the maintenance of adequate cash reserves within a business in order to cater for all its capital requirements and maximize returns on investments in a short while. For proper management of cash within a business, it is important to establish the optimal cash level required based on the opportunity cost of having insufficient cash reserves and the transaction cost of having insufficient cash reserves (Nyabwanga et al., 2011). According to Alfred (2007), cash management is highly essential in any business entity in that it plays a significant role in ensuring that the business has sufficient liquidity and cash disbursements and receipts are planned within cash balances to ensure liquidity and utilization of excess cash in profitable activities. Cash management is also beneficial in the accurate forecasting of cash flows within a business entity, the development of innovative strategies in cash disbursements and receipts, and finally ensures adequate management of cash balances to ensure sufficient liquidity and utilization of excess cash in profitable ventures.

Days Sales Outstanding (DSO)

DSO has a huge influence on the viability of e-commerce enterprises since it plays a major role in determining the liquidity level within the company. The ideal scenario is having low DSO levels since this makes the company's financial position better. Days Sales Outstanding represents the period it takes the organization to recover its money after selling products on credit. It is crucial for the enterprise to have lower DSO levels since it implies that the firm can collect its money faster, meaning that the cash flow will be sufficient to cater to other business activities. High DSO implies that the organization will take longer periods to get the funds, and this can compel the company to seek alternative sources of finance like loans or reducing business activities (Ungaro, 2025). There could also be situations whereby the organization fails to recover its funds in time and eventually does not get the money back. In this regard, it becomes imperative for the firm to lower its DSO levels.

Days Payable Outstanding (DPO)

Days Payable Outstanding (DPO) is a financial ratio used to determine the average number of days a company takes to pay its bills or invoices to its trade creditors, which may include suppliers, vendors, or financiers (Nangih et al., 2020). DPO is computed on a quarterly or yearly basis, and its result shows the company's performance in managing its cash outflows. If a company has a higher DPO, it implies that the company takes more time to pay its bills, which gives the company an opportunity to make better use of the funds to maximize its benefits (Chaffey, 2022). However, a higher DPO also shows the company's inability to pay its bills in a timely manner. It significantly affects an e-commerce entrepreneur's financial sustainability by influencing cash flow, working capital, profitability, and supplier relationships. The key is maintaining an optimal balance; while a high DPO can improve immediate liquidity, an excessively high DPO can introduce significant risks (Aguguom, 2020).

E-Commerce

According to Okolie and Ojomo (2022), e-commerce is the use of the internet for marketing, identification, payment, and delivery of goods and services. As per the OECD (2023), electronic commerce is a novel way of doing business and can be described as business carried out on networks using non-proprietary protocols which have been developed via an open standards development process, like the Internet. E-commerce is not just about equipping yourself with computers and businesses; in reality, it is much more than that. It involves a totally new approach to conducting business and a mode of communication that questions the fundamental rules of conventional business operations. E-commerce is a whole spectrum of business transactions and technology resources' architecture designed to help business leaders interact with their customers and conduct their business. Over the years, e-commerce has established itself as a significant platform for the development of the world's economy and has shown that it has the potential to shape the economic and social structure of any country in the world, and has helped people reduce the time taken in ordering, invoicing, making payments, and delivering products by surmounting numerous problems and using the right strategies through which e-commerce can significantly impact the world's economy and change the old style of doing business (OECD, 2023). Since then, the expansion of the internet across various countries has been rapid, though not at the same pace in developing countries.

2.2 Theoretical Framework — Pecking Order Theory

Pecking order theory came into existence in 1961, put forward by Donaldson. However, the concept was later modified in 1984 by Stewart C. Myers and Nicolas Majluf. As per the pecking order theory, firms would prefer to utilize internal funds for making new investments in terms of retained earnings, and thereafter through the use of debt financing, and at last using equity financing. As the determination of the optimal capital structure is difficult, it was suggested that financing with equity was preferred both at the top and bottom of the pecking order. The internal sources of finance do not come with any flotation cost, nor do they necessitate disclosing proprietary information of the company, like the potential for gaining through investments. Pecking order theory relates to what the firm's management prefers: a pecking order of alternative sources of finance that the firm faces.

First, companies choose internal financing depending on profits made in the past. Second, without internal financing, companies opt to raise finances through borrowing from financial institutions. Third, companies opt to raise finances by issuing new shares as their last resort. In general, according to the pecking order theory, management of organizations favors internal financing over external financing. As highlighted by Okafor (2018) in his paper on the capital structure puzzle, the reason firms adhere to the pecking order theory is that it goes against the interests of stockholders.

From a managerial perspective, it has been observed that the professional manager will avoid the need for outside financing because this would expose him to the discipline of the capital market. In addition, the factor of transaction cost is another point that needs to be considered in connection with the theory under discussion. It is easier for businesses to use internal finance than external finance owing to the high transaction costs of using the latter. This theory tries to explain the reasons why profitable firms opt for internal finance; the simple answer in this regard is that these firms do not require external financing at all. On the other hand, if the profit level is lower, then firms lack internal capital and hence resort to external financing. It has been argued by Odesa and Bkezie (2015) that profit retention carries an opportunity cost. Consequently, the riskier behavior of business people pays off in the form of higher profit. Pecking order theory is relevant in small enterprises because the cost of capital in small enterprises is relatively higher compared to large companies. Based on Nwanyanwu (2015), the pecking order theory can be easily applied to e-commerce companies because most of the owners of such companies are also the managers of the companies, and hence do not want to lose control of their firms. This research is built on the Pecking Order Theory because it involves the flow of money in firms, whereby the most profitable firms look for their internal funds first, followed by debt, and lastly external funds.

2.3 Empirical Review

The main objectives that Odo and Theophilus (2021) sought to achieve in conducting the study on the impact of cash flow on the financial performance of food and beverages firms in Nigeria were to analyze the impact of cash flow from operating activities on the annual profit of food and beverages firms in Nigeria; ascertain how much the cash flow from financing activities impacts the annual profit of food and beverages firms in Nigeria; and analyze the impact of cash flow from investment activities on the annual profit of food and beverages firms in Nigeria. The research methodology adopted in this study was an ex post facto research design. The sources of data used in the study were secondary. A list of food and beverage firms was prepared. The analysis was conducted using random panel regression models and descriptive statistical measures. The result shows that there is a significant impact of cash flow from operating, financing, and investing activities on the yearly profit of food and beverage companies in Nigeria.

The research by Frank and James (2014) is on cash flow and corporate performance: a study of selected food and beverages companies in Nigeria. The main aim of this research was to analyze the association that exists between cash flows and corporate performance, especially in the food and beverages sector in Nigeria. It is a descriptive study involving six food and beverage companies listed on the Nigerian Stock Exchange. This research employed data from the annual reports and statements of the selected firms. The collected data were analyzed statistically through the use of multiple regression techniques. It was established from the research that there exists a significant positive association between operating and financing cash flows and corporate performance in the food and beverage sector of Nigeria.

Aguguom (2020) examined the influence of cash flow optimality and investment returns: investors' expectations in listed manufacturing firms in Nigeria. The objective of the study was to broaden the horizons of previous studies by examining the impact of cash flows in meeting the expectations of returns on investments. The study targeted 66 manufacturing companies which are publicly quoted on the Nigerian Stock Exchange. Twenty-five of the manufacturing companies were deliberately chosen for an analysis period of 10 years (2010–2019). Financial reports of the selected manufacturing companies were sourced for the study. The panel data analysis method was employed in this research. In addition, several tests were carried out in order to decide which model should be adopted for the panel data analysis. The selection process was done through the Hausman test to select between the Random Effect Models and the Fixed Effect Models. Again, Jarque-Bera Normality and Breusch-Pagan Lagrangian Multiplier tests were performed to validate the result of the Hausman test. It was found that cash flow optimality has a positive and statistically significant relationship with return on assets. Additionally, the study revealed that cash flow optimality has a positive statistical association with Tobin's Q.

A study was done by Nangih et al. (2020) on the impact of cash flow and financial performance of quoted oil and gas companies in Nigeria. The study was carried out to evaluate the effect of cash flow on the financial performance of oil and gas firms. Stakeholders' theory was adopted for this study due to its application of judgmental design in the analysis. The study used the annual reports of five selected firms for five years (2013–2018). According to the study, there is an insignificant negative association between cash flows from operations and investing activities and profitability. There is, however, a significant positive correlation between cash flows from financing activities and firm performance.

3. METHODOLOGY

The research design adopted in this study was primarily descriptive, so as to enable the researcher to explore the statement of the problem. Descriptive research is defined as the type of research that describes the nature of a given phenomenon, providing a systematic explanation of that phenomenon. This type of research assists in decision-making by providing the premises for generalization and inference. The study entailed selecting a certain number of e-commerce entrepreneurs from the southeastern part of Nigeria to facilitate sample selection for the study on the effect of cash flow management strategies for e-commerce entrepreneurs within a financial sustainability framework.

The questionnaire was structured into two sections. Section A captured the demographic characteristics of respondents, comprising gender, age, marital status, and highest educational qualification. Section B contained statements measuring Days Sales Outstanding (DSO), Days Payables Outstanding (DPO), and E-commerce Entrepreneurs (EE), assessed using a 4-point Likert scale, where 1 = Strongly Agree (SA), 2 = Agree (A), 3 = Disagree (D), and 4 = Strongly Disagree (SD). To measure the reliability of the questionnaire statements, the Cronbach's Alpha reliability test was employed. As the alpha values for the scale were above 0.7, the reliability of the constructs was considered high, consistent with Nunnally's (1978) recommendation that Cronbach's alpha must be greater than 0.7.

TABLE 1. *Summary of Cronbach's Alpha Levels for the Constructs*

VARIABLE NAME	CRONBACH'S ALPHA	NUMBER OF ITEMS	DECISION
Days Sales Outstanding	0.708	5	Fit for use
Days Payable Outstanding	0.823	6	Fit for use
E-commerce Entrepreneur	0.767	5	Fit for use

Source: Researchers' Computation (2026)

With the help of well-trained research assistants, the survey instrument was self-administered within the southeastern region. Respondents were assured of the confidentiality of the research study. The finite population selected was 853, and using the Taro Yamane formula, a total sample of 272 was drawn. A total of 272 questionnaires were issued, of which 237 were received back, representing an 87% response rate.

Descriptive and inferential analyses were conducted with the aid of SPSS software on the data collected. Descriptive analysis was used to examine the socio-demographic attributes of respondents, while Simple Linear Regression analysis was conducted to test the study hypotheses. All hypotheses were tested at a 0.05 level of significance.

4. RESULTS AND DISCUSSION

4.1 Socio-Demographic Information of Respondents

This section presents information on the sex, age, marital status, and highest educational qualification of respondents, analyzed using frequency counts and percentages.

TABLE 2. *Socio-Demographic Characteristics of Respondents*

DEMOGRAPHIC CHARACTERISTIC	CATEGORY	FREQUENCY	PERCENT (%)
Sex	Male	197	83
	Female	40	17
Age of Respondents	Under 20	17	07
	20–29	67	28
	30–39	72	30
	40–49	53	22
	50–59	18	08
	60 and above	10	04
Marital Status	Single	137	58
	Married	89	36
	Separated/Divorced	09	04
	Widowed	02	01
Highest Educational Qualification	Primary Education	17	07
	Senior Secondary School	28	12
	NCE	30	13
	HND	49	21
	Bachelor's Degree	71	30
	Postgraduate Qualification	21	09
	Others	21	09

Source: Field Survey (2026)

Table 2 shows the demographic profile of the respondents. The population is dominated by males, with 197 out of a total of 237 respondents being male, representing 83% of the sample. In terms of marital status, the majority of respondents were single (58%), while 36% were married. In terms of age distribution, the majority of respondents fell within the 30–39 age bracket (72 respondents, 30%), closely followed by the 20–29 age group (67 respondents, 28%); only 4% of respondents were 60 years and above. In terms of academic qualifications, the majority of respondents held a Bachelor's degree (71 respondents, 30%), followed by HND (49 respondents, 21%) and NCE (30 respondents, 13%) holders; Senior Secondary School, Postgraduate, and Other qualifications accounted for 28, 21, and 21 respondents respectively.

In summary, the demographic profile indicates a male-dominated, relatively young, and well-educated sample. The sample is mostly single, with a large proportion holding at least a Bachelor's degree, and predominantly falls within the 20–39 age range. This information provides useful context for interpreting the study's findings.

4.2 Regression Results

The tests for the study's objectives are presented in this section. Each objective was tested through simple linear regression analysis using the Enter method.

Objective One

Days Sales Outstanding has no significant effect on E-commerce: A Financial Sustainability Framework.

From the analysis of variance (Table 3), it is evident that at a 0.05 level of significance, the model was significant in explaining the relationship between Days Sales Outstanding and E-commerce Entrepreneurs ($F = 29.618$; $p = 0.002$) for the selected respondents in the southeastern region of Nigeria. There is a correlation between the actual and predicted values of the E-commerce Entrepreneurs variable ($R = 0.247$), with 21.99% (Adjusted $R^2 = 0.2199$) of the variance in E-commerce Entrepreneurs explained by Days Sales Outstanding (Table 4).

TABLE 3. *ANOVA Table Showing the Goodness of Fit — Days Sales Outstanding*

MODEL	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression	33.297	1	33.297	29.618	0.002
Residual	265.321	236	1.1242		
Total	298.618	237			

a. Dependent Variable: E-commerce Entrepreneurs. b. Predictors: (Constant), Days Sales Outstanding.

TABLE 4. *Predictive Power of Days Sales Outstanding on E-Commerce Entrepreneurs*

MODEL	R	R SQUARE	ADJUSTED R SQUARE	STD. ERROR OF ESTIMATE
1	0.247	0.311	0.2199	1.61360

a. Predictors: (Constant), Days Sales Outstanding.

Table 5 indicates that Days Sales Outstanding has a significant impact on E-commerce Entrepreneurs ($p = 0.000$). This implies that for a unit increase in Days Sales Outstanding, E-commerce Entrepreneurs increases by 0.301 units.

TABLE 5. *Impact of Days Sales Outstanding on E-Commerce Entrepreneurs*

MODEL	B	STD. ERROR	BETA	T	SIG.
Constant	2.922	0.038	—	97.40	0.000
Days Sales Outstanding	0.301	0.0102	0.292	29.51	0.000

a. Dependent Variable: E-commerce Entrepreneurs.

Objective Two

Days Payables Outstanding has no significant effect on E-commerce Entrepreneurs: A Financial Sustainability Framework.

As illustrated in Table 6, the model was significant in estimating the relationship between Days Payables Outstanding and E-commerce Entrepreneurs ($F = 21.371$; $p = 0.003$). There is a correlation between the predicted and actual values of the

E-commerce Entrepreneurs variable (R = 0.300), with 50.1% of the variance in E-commerce Entrepreneurs accounted for by Days Payables Outstanding (Adjusted $R^2 = 0.501$), as shown in Table 7.

TABLE 6. *ANOVA Table Showing the Goodness of Fit — Days Payables Outstanding*

MODEL	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression	17.003	1	17.003	21.371	0.003
Residual	187.763	236	0.7956		
Total	204.766	237			

a. Dependent Variable: E-commerce Entrepreneurs. b. Predictors: (Constant), Days Payables Outstanding.

TABLE 7. *Predictive Power of Days Payables Outstanding on E-Commerce Entrepreneurs*

MODEL	R	R SQUARE	ADJUSTED R SQUARE	STD. ERROR OF ESTIMATE
1	0.300	0.589	0.501	2.34958

a. Predictors: (Constant), Days Payables Outstanding.

Table 8 shows that E-commerce Entrepreneurs are significantly influenced by Days Payables Outstanding ($p = 0.007$). This is because for every unit increase in Days Payables Outstanding, E-commerce Entrepreneurs increases by 0.284 units. On this basis, it is confirmed that Days Payables Outstanding has a significant impact on E-commerce Entrepreneurs in the study area.

TABLE 8. *Impact of Days Payables Outstanding on E-Commerce Entrepreneurs*

MODEL	B	STD. ERROR	BETA	T	SIG.
Constant	14.42	2.3380	—	6.190	0.000
Days Payables Outstanding	0.284	0.102	0.292	2.778	0.007

a. Dependent Variable: E-commerce Entrepreneurs.

> "
>
> *Days Sales Outstanding ($\beta = 0.301$, $p = 0.002$) and Days Payables Outstanding ($\beta = 0.284$, $p = 0.007$) both have a significant effect on the financial sustainability of e-commerce entrepreneurs in Nigeria.*
>
> — KEY FINDING

5. CONCLUSION

The study on the effect of cash flow management strategies for e-commerce entrepreneurs in Nigeria, within the framework of financial sustainability, highlights the crucial role of efficient working capital practices in ensuring business stability and long-term viability. The findings reveal that Days Sales Outstanding (DSO) has a significant positive effect on the financial sustainability of e-commerce entrepreneurs. This suggests that timely collection of receivables contributes directly to improved liquidity, reduced credit risk, and greater operational flexibility. When e-commerce firms effectively manage the time frame between sales and cash realization, they strengthen their cash inflows, allowing them to reinvest swiftly in marketing, inventory restocking, and technological upgrades that sustain business growth.

Similarly, the study finds that Days Payables Outstanding (DPO) has a significant effect on financial sustainability, emphasizing the importance of managing payables strategically. By optimizing payment periods to suppliers without jeopardizing relationships or credit terms, e-commerce entrepreneurs can retain cash for short-term working capital needs, thereby improving liquidity and overall financial resilience. However, this must be balanced carefully to prevent reputational risks and supply chain disruptions that could impair long-term sustainability.

Overall, the results underscore that effective cash flow management is a cornerstone of financial sustainability for e-commerce ventures in Nigeria's dynamic digital economy. Entrepreneurs who implement structured policies for receivables and payables management are better equipped to withstand market volatility, meet short-term obligations, and pursue strategic investments. Consequently, sound cash flow practices not only enhance profitability but also serve as a stabilizing mechanism promoting growth, innovation, and competitiveness in Nigeria's e-commerce sector.

In conclusion, strengthening cash flow management capabilities — especially in receivables and payables processes — is indispensable for achieving enduring financial sustainability. For policymakers and financial institutions, this implies the need to provide supportive financial education, fintech tools, and credit facilities that enable e-commerce entrepreneurs to manage liquidity efficiently and sustain their operations in a rapidly evolving digital marketplace. The study concludes that Cash Flow Management Strategies have a significant effect on the financial sustainability of e-commerce entrepreneurs in Nigeria.

6. RECOMMENDATIONS

Based on the findings of the study, which revealed that Days Sales Outstanding (DSO) has a significant positive effect and Days Payables Outstanding (DPO) has a significant effect on financial sustainability, the following recommendations are proposed to strengthen financial performance and ensure long-term viability within Nigeria's e-commerce sector:

i. E-commerce entrepreneurs should implement stricter credit policies and employ digital payment platforms to reduce the time lag between sales and cash receipts. Automated invoicing, real-time transaction monitoring, and diversified payment options (such as debit cards, mobile money, and digital wallets) can significantly improve liquidity and shorten DSO.

ii. Since DPO has a significant influence on financial sustainability, e-commerce entrepreneurs should manage supplier payments strategically. Extending payment periods judiciously without harming supplier relationships can free up working capital for reinvestment. Negotiating favorable credit terms and building trust-based partnerships with suppliers can create mutually beneficial arrangements.

DECLARATIONS

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