

How to get cash flow confident in 1 2 3

Are you making money or burning cash?



Cash is the lifeblood of any small business. Too little of it at any given time, and your business could go belly-up—even if you're profitable!

There are plenty of ways to keep yourself in the green, even when your numbers aren't what you thought they'd be.



"Cash flow is the pulse—the key vital sign of a company"

—Jack Welch, author of "Control Your Destiny or Someone Else Will"

1

Speed Up Receivables

You can't control exactly when your customers pay, but you can influence them. To encourage faster payments:



Issue invoices ASAP. The faster you request payment, the faster you'll get it!

Negotiate terms. Use a variety of payment terms to encourage every customer to pay sooner than later.



Offer incentives. Discounts encourage faster initial payments, and debt forgiveness speeds up late payments.

2

Slow Down Payables

You have more control over your accounts payable—you're the one making the payments! To pay late(r) without racking up debt:

Delay, delay, delay. Take advantage of your suppliers' and creditors' terms, and pay as late in the period as possible.

Negotiate and renegotiate. See if you can extend payment terms on purchases and loans. When you can't, try to negotiate for the lowest interest rates possible.

Pay employees twice per month. Switching from a semiweekly to bimonthly payroll saves you two pay periods per year!

3

Plan for Shortfalls

Off months are inevitable, but they don't have to put you out of business. To keep the cash flowing when business is slow:

Borrow now, not later. Take a loan or start a credit line before you need the money. Banks usually offer better terms to proactive professionals.

Talk to your suppliers. They may be willing to give you long-term, low-interest payment terms if you've established a good track record.

Get paid faster! Offer additional discounts for fast payments, and use factors to collect long overdue money ASAP.

With Sage One Accounting, you'll be able to:

Easily manage cash flow, and more!

Fly through administrative tasks and daily to-dos.

Impress customers, suppliers, and lenders with accurate, professional accounting.

Get your numbers right—every time.