6 Cash Flow Strategies to Help you Find New Money in your Business... NOW

1. FIGURE OUT YOUR PROFIT NUMBER FIRST.

When creating a Cash Flow Forecast and a Budget, start with the end in mind. The "end" being your NET INCOME aka, profit! By determining what you as the business owner want your Net Income to be you can design and build your life and business around it.

The next step is working backwards into your sales goal for the year. Once you have your sales goal determined, you can easily create a budget around those numbers by using the expense categories and assigning them percentages to make sure you are not overspending.

This will ensure that you are PROTECTING YOUR PROFIT, one of the reasons you started your business in the first place!

2. SIMPLIFY YOUR FINANCIALS.

In order to identify which of your services perform the best, it is important to match your revenue line items against your Cost of Goods Sold line items. By doing this, you will be able to see how much you are actually earning on each of the services you provide.

It will help you identify which of your services you should sell more of or and which of your services you may be breaking even on or taking a loss on. When all of your cost of goods sold are lumped together you have no visibility into your true profitability.

By matching your revenue line items with your cost of goods sold you will instantly find hidden cash in your business by maximizing your winners and cutting your losers.

3. GROUP LIKE EXPENSE CATEGORIES.

Update your chart of accounts to reflect the big spending buckets so it becomes much easier to track what is happening and to budget for what will be needed in the future. Understanding the percentages that your spending buckets should be helps you align costs with revenue, so you can really get a handle on your expenses.

4. CREATE A STAFF UTILIZATION SCHEDULE TO BE ABLE TO FORECAST FUTURE REVENUE GROWTH AND CAPACITY.

A Staff Utilization Schedule takes into account several different aspects of managing your company's growth and its ability to service the growth. It does not make sense to hustle to make new sales if you do not have the capacity to service that new client.

A Staff Utilization schedule also pinpoints the exact time you will need to hire new staff to support an increase in revenue.

Another benefit of a staff utilization schedule is that it will show you if you are not getting the productivity from your team based on the role you hired him/her for.

5. UNDERSTAND THE COST TO ACQUIRE A NEW CUSTOMER

It is important to know this number... It's also important to have a set marketing budget. Without understanding your Customer Acquisition Cost (CAC) you are shooting in the dark and could be throwing away money.

When a company knows their CAC they can forecast exactly how many new customers they need to hit their revenue goals and make sure they keep their spending in check.

Here are some key pieces of information you will need for this calculation:

a. Total Cost of Marketing Spend for a determined period
b. Total Number of New Customers for the same determined period as above

6. LOWER YOUR INTEREST RATE!

One of the best ways to lower your interest rate is to secure a line of credit (LOC). LOC's typically have interest rates between 3%-7%. It's an easy fix that will save you hundreds over time.