

Cash flow is the life blood of your business. Failing to manage your cash flow can put you in a pinch and potentially shut your doors. Here are ten simple tips that could help you improve your business' cash flow:

1. Have the Most Accurate Information

Ever forgotten about an expense? This tip may seem obvious but it is easily over looked. Having a consistent system that gives you accurate reports can help you stay on top of your business' financial numbers. We recommend a weekly report for most small businesses.

2. Internet Banking

In the same spirit as tip number one, we recommend that you set up Internet Banking so you can have instant access to your account information regardless of the time of day you want it. It also allows you to quickly check what payments have cleared the bank! If you use QuickBooks, you can easily set it up to download transactions into your check register.

3. Increasing Sales

When cash flow gets tight business, owners correctly decide to make spending cuts. One area you shouldn't cut back on for very long is your marketing and sales budgets. You need new customers and new money flowing into your business to improve your cash flow. We recommend cutting here last.

4. Changing Payment Terms

Perhaps you're not getting paid fast enough by your customers. Increasing the speed at which your customers pay you will improve cash flow. Handle the change in terms delicately. You don't want to lose customers.

5. Collecting Receivables

Along the same lines as tip #4, you need to collect your outstanding receivables. It's sometimes a tough decision whether or not to turn a customer over to collections. If you've mailed multiple statements, called them, offered different terms and they still aren't paying their bills, you may not have a choice.

About TDB

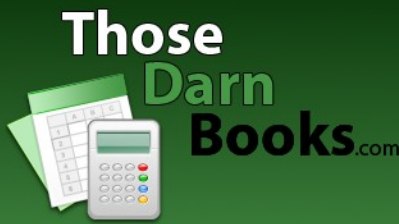
Founded in 2009, Those Darn Books has quickly grown to 4 employees and dozens of clients in Middle Tennessee. We have a vision for providing the services businesses need at prices they can afford. At the same time, we are creating a truly awesome place for people to work. Our employees spend 85% of their time working from home. We've also chosen to shed the expensive overhead of maintaining an office and passed that savings on to our customers.

Contact Us

615-216-1444

www.ThoseDarnBooks.com

books@ThoseDarnBooks.com



6. Review Supplier / Vendor Payments

Your vendors and suppliers can be a great source of short term credit. By extending your payments to them it might make the difference in positive and negative cash flow. They might say no, but it never hurts to ask!

7. Inventory Management

Don't hold inventory if it's not absolutely critical to your business. Inventory ties up cash and hurts cash flow when it sits on your shelves. We understand that some businesses need large inventories. If you can wait to order anything, then it will improve your cash flow.

8. Refinance Loans

Extending the terms, or lowering the interest rate, on a loan can dramatically improve your cash flow. If your business is feeling the pinch each month, then look at restructuring your loans to lower your payments.

9. Stage Equipment and Technology Purchases Slowly

Equipment can help you reduce costs and improve product turnaround times, both of which are good for business. However, large equipment purchases can also squeeze your business' cash flow in the short term. Save for those purchases in a separate account while cash flow is good. Or make sure you can afford the payments on equipment loans prior to signing the loan.

10. Reconcile your accounts monthly

It is almost impossible to manage cash flow if you don't know which payments have been made and which payments have cleared the bank. A monthly review of your accounts will help you keep a long term perspective of your business and it's cash flow.

Those Darn Books is a full service bookkeeping, payroll, tax, and QuickBooks company. If you need help with any of the 10 tips above, we would be happy to assist you. We look forward to hearing from you.

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