

A top-down view of a white desk. In the upper left, a person's hand is typing on a silver laptop. To the right of the laptop is a small, lit candle in a glass holder. Further right is a spiral-bound notebook with a light blue cover and a marble pattern. In the bottom left, another laptop with a gold-colored frame is partially visible. A small piece of food, possibly a cookie, is on a white napkin near the bottom center. The background is a plain white surface.

3 STEPS TO MASTERING YOUR CASH FLOW

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Cash Flow is About Timing

Cash flow is about timing, not revenue.

Cash flow issues occur when the timing of money received is "mismatched" to when bills are due, inventory must be reordered, or you are moving to make investments in your business.

This can be due to late payments, bank holidays, **a delay between when a payment is made, and you receive the money** (think online payment processors like Stripe), and a host of any other causes.

Follow the tips in this guide to protect and maintain your cash flow.

Strategy 1:

Control All Of Your Cash

- **Take everything you can off autopay**
- **Revoke access to your accounts for any debt, utility and other expenses**

This step is critical to keep your cash flow in your control. Don't allow anyone else (yes, I know there are a few subscriptions that require a monthly autodraft) to have access to your accounts. If others can go into your money and pull out their payments- you don't control all of the cash.

Strategy 2:

Pay Your Expenses on a Schedule

- **Pick Your Paydays! Pay expenses 2 days a month.**
- **You will intentionally pay your business expenses every week or two**
- **You won't use your business like an ATM**

This step really protects your cash! You do not want to "live out of the till" and just take business money for personal expenses. That creates a huge financial mess. When you set regular days to pay expenses and paydays for yourself you are keeping business cash in the operating account between "bill days" for anything that could come up.

Strategy 3:

Know Which Expenses Can Be Split In Case of a Crunch

- If there is a crunch, prioritize the bills that keep the business open and revenue flowing.

Pay the internet and let the credit card be a few days late. I know, I know, later fees- but if your business is closed, you cannot generate more revenue!

- Make a partial payment. Split the electric bill in half and pay the rest in 2 weeks. Use a grace period if you need to.

Keep the cash in your business as long as possible, and know where you can make short term adjustments

Bonus:

Protect your cash flow with a cyclical fund.

- Add up all of your annual and semi-annual expenses
- Divide by 12 and make smaller monthly deposits to cover these bills
- You will have the money to cover these expenses without a hit to the monthly budget!

Having the cash you need to pay the big annual expenses without needing to dip into that month's cash is a huge cash flow saving strategy! Just have a separate account to make your smaller monthly payments so you don't accidentally spend the cyclical fund deposits.

Ready to Keep Your Business Growing and Your Cash Flow Positive?

Now that you have completed these strategies, you are winning with your cash flow. Congratulations!

You are ready to go deeper and look at your profit margins and other numbers to make a customized checklist that will put you on track to making more money and keeping more profit (and perhaps taking a bigger paycheck).

Book a free support session with Dawn to learn your next steps by visiting:

<https://dawnkennedy.as.me/support>

Who is Dawn Kennedy?



Dawn is an attorney, financial coach, and serial entrepreneur who is passionate about helping small businesses thrive in the face of unexpected market changes by ensuring there is a plan to protect financial milestones and a plan for the company's successful growth.

Learn more about Dawn by visiting the website:

<https://dawnkennedy.com>