



WHERE HAS ALL MY MONEY GONE?

Miles Primrose, founder of Business Sight, talks about how to get on top of your financial situation.

“No matter how hard I work or what I do, I can never seem to get on top of my profit or cash flow.”

One of the regular issues I hear from clients when they first come to see me is that no matter what they do or how hard they work, they can never get on top of their financial situation. No matter what stage you are at in your business, the time to act is now. If you don't, you could end up resenting both your business and the people around you, as well as yourself!

Like most trade business owners, you went through tech school or TAFE, finished your apprenticeship and started your own business. You know the rest of the story; you're great on the tools but you need assistance with the 'business side of things'.

HOW TO MAKE THE MONEY YOU DESERVE TO MAKE

There can be a variety of reasons for difficulties with finances and cash flow. To deal with them you should begin by turning your attention to a few key areas.

- > Firstly, you need to understand yourself before you start looking at your business. Analyse your habits, your goals and your approach to running your business.
- > Secondly, you need to develop a business model (or reassess your current model), paying close attention to your financial business model.
- > Finally, put into place some simple measurements that anyone on your team can use. This means developing procedures and systems that allow you to control and manage cash flow.

THE TWO SIDED APPROACH TO MANAGING CASH FLOW

I often hear the phrase, 'my money seems to be going out faster than it is coming in!'

The solution is simple: spend slower, bill quicker. In business, there are two fundamental facets to improving your cash flow. The first concerns you; managing your budget and spending more economically and responsibly. The second relates to the financial exchanges you have with your customers.

MANAGING CUSTOMER PAYMENTS

Clients who do not make their payments on time affect your ability to pay your bills on time and are subsequently detrimental to your business. Therefore, it is essential to implement a structured approach to managing customer payments. This may include:

- > Specifying due dates for payments
- > Developing a routine follow up system for payments
- > Getting rid of problematic clients. Clients who continually drain your resources, time and cash and do not pay on time may be costing your business more than they are worth.

CHANGE YOUR MINDSET

While focusing on these aspects of your business can improve the management of your cash flow, I usually find that clients need to change their mindset first. Seeking out and investing in business advice the first step towards creating a successful business. Seeking quality advice is essential. Whilst seeking no advice at all creates a model of organisational inertia, seeking bad advice can be even more damaging!

THE TIME IS NOW

In order to run a successful business, you must understand what you have been doing, what you need to change and how to create a business model that works for you. Remember, the only time you have is now; get on top of your cash flow before it gets on top of you!

ABOUT BUSINESS SIGHT

A business mentoring service like Business Sight provides a holistic approach that will not only help you achieve the financial side of things, but also help you discover who you are, identify core values and understand what makes you tick.

Reward yourself and your business and take some real action today.

For more information email info@businessinsight.com or call 1300 187 233



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