Beating the Small Business Cash Flow Blues
7 Stress Saving Strategies for Cash Strapped Businesses

Small business owners can relieve a lot of their own cash flow problems, according to Caroline Jordan, small business advisor and author of "*Stop the Cash Flow Roller Coaster, I Want to Get Off*". "Small business owners have more control over their cash flow than they realize." says Jordan.

To help you get a jumpstart on solving your own cash flow woes, Jordan offers a free "Cash Flow Master checklist" that you can get by visiting the Cash Flow Tools section at www.CashFlowRollerCoaster.com. Jordan also suggests the following tips to help you understand why cash flow problems plague 66% of small businesses.

1. Avoid the dreaded "Fly by the Seat of Your Pants" accounting method.--Businesses need to systematically track income, expenses, accounts receivable, and accounts payable. If you only know how your business is doing once a year at tax time, you're bound to end up deeply mired in the Cash Flow Swamp.

2. Developing "Strength in Numbers"—Once you have your accounting system in place you need to learn what the numbers are telling you and how to use those numbers to manage and grow your business.

3. Keep tight control of credit—Business owners can get themselves in credit trouble two different ways; poor credit granting practices and shortsighted use of credit from banks, credit cards, and vendors.

4. Be sure your Receivables and Payables "play nice" together—The money owed to you by your customers should arrive in time for you to pay your vendors and your employees. When your customers take 60 days to pay and your vendors want to be paid in 30 days, you can quickly end up with a Cash Flow Crunch.

5. Make decisions based on Cash Flow not Profit—Many businesses that fail are profitable when the doors close. What those businesses don't have is CASH. When you pursue that big, juicy contract or think about hiring another employee, always ask yourself "What will this do to my cash flow?"

6. Don't forget your debt to society— Some bills are easy to forget. Bills like sales tax, payroll taxes, and estimated taxes. Ignoring them doesn't make them go away. Planning ahead makes the bite easier to take and keeps your from suffering Tax Day sticker shock. Scrambling to find money for taxes causes major cash flow problems.

7. Don't spend your company's future on a speed boat—Everybody loves toys. Don't make the mistake of thinking all the profits of your business are "fun money". You've heard it many times from personal financial planners that you should have enough cash put aside for six months of expenses. This is true for your business, too. Sales ebb and flow. Expenses rise. Customers leave. Vehicles break down. Computers fry. The number

one rule of small business is “Stuff Happens”. Having a reserve of cash keeps your cash flow from tanking every time a new challenge appears.

Caroline Jordan, MBA, is a veteran small business owner, accountant, consultant, trainer, and author. She is the owner of The Jordan Result, a company specializing in developing real world, practical resources to help small business owners improve cash flow and business operations. Jordan is also an accounting and business professor and the author of “Stop the Cash Flow Roller Coaster, I Want to Get Off!” For more tips and strategies to build your business visit www.TheJordanResult.com.