

## **Small Business News: Cash Flow Tips and Basics**

### ***By Small Business News***

The key to small business success has always been cash flow. With enough cash flow a small business can expand on its own with less need for credit or outside investment. Good cash flow gives small business owners and entrepreneurs the luxury of controlling the best use of their resources. It also lets them know when it is time to grow or to alter their business model meeting new demand or bringing in new customers. A challenging economy has made attention to cash flow even more critical. Here's a look at the landscape and how small business owners can and should respond.

### **Trends**

Cash flow is the key. If there is any legacy left behind for small business to really deal with after the recent economic recession, it is probably not just the credit crunch. If anything, according to this recent article on small business issues emerging from the recession, it is cash flow trouble, with suppliers demanding payment more quickly and customers holding back payments as long as possible, that remains the key challenge. How are you responding? ***Bloomberg Businessweek***

Don't make a move without boosting your bottom line. One way to respond to interruptions in your cash flow is to alter your business model, perhaps with new products or services that will boost revenue coming in your door. A few words of caution from CFO Ken Kaufman, however. Make sure any "pivot" your business makes results in more cash flow. It's a simple but important principal while trying to remain in the driver's seat in your business. ***CFO Wise***

Improving your existing cash flow with tough changes. Of course, expanding or altering your business model isn't the only way to boost cash flow. A disciplined look at your existing system may show many places where efforts can be made to boost cash flow dramatically. Check out this important post laying out five tips that will increase your cash flow and make the necessary changes now. ***Open Forum***

### **Tips**

Positive cash flow key for your success. The key to small business success is to develop a positive cash flow. And the best way to do that is to put systems in place in your business to guarantee that regular payments come in on time. If you haven't got a system in place, don't sweat it. It's never too late to make the necessary changes in your business to bring your small business to positive cash flow success. ***Succeed As Your Own Boss***

Do you want better cash flow in your business? Check out some of the simple tools in QuickBooks that allow you to manage cash flow for your small business. You may already be using QuickBooks as a simple bookkeeping software in your small business. But did you know that tools like the Accounts Receivable Aging Summary report can help you do so much more. Peter MacDonald of Baseline Business Services explains. ***Oakville Business Network***

How to get your customers and clients to pay. In the end, though it may sound obvious, the best way to manage cash flow in your small business is, well, getting your customers and clients to pay you. Getting them to pay you on time would be even better. If this sounds easier said than done, please visit Katy Cowan's post for some straightforward tips that should bring in the overdue payments...NOW! ***Creative Boom UK***

### **Techniques**

How cash flow figures into start-up. It should be little surprise that a "cash is king" mentality is key in the start-up world where a fledgling business goes from nothing to positive cash flow based on nothing more than the ability to deliver a product or service and grow based on the revenue created. Businesses with little or no credit or outside investment have no choice but to take this route, but even start-ups with a firm financial backing must take this position sooner or later. ***Memeburn***

Surviving the slump. Though simply cutting back on spending is not a long-term strategy for small business survival, it can be an important short-term approach to the problem when a market is drying up or simply going through the doldrums. Not surprisingly, managing cash flow is an important part of this strategy and should be considered a priority especially when times are tough. ***The Daily Dose***

### **Global**

Online banks launch platforms to aid with small biz cash flow. A New Zealand-based bank may serve as the model for a move to serve an expanding market of small businesses in need of cash flow. As many times as cash flow and credit needs among small businesses have been discussed in the media, it is amazing that banks have taken so long to see the opportunity here. This story may serve as both a resource for small businesses and a wake up call for the banking industry. ***Nzherald.com.nz***

Could house loans be followed by business loans and credit? This post on the banking situation in Australia poses the question of whether banks in an effort to compete for a small business market will be entering the business credit and loan niche soon. One place that loans and cash flow are definitely connected is in the area of timely payments by customers and clients and to suppliers. Credit availability may make your customers more willing to pay you in a timely fashion and make you in turn more willing to pay suppliers hence more cash flow for everyone. ***Dynamic Business***