

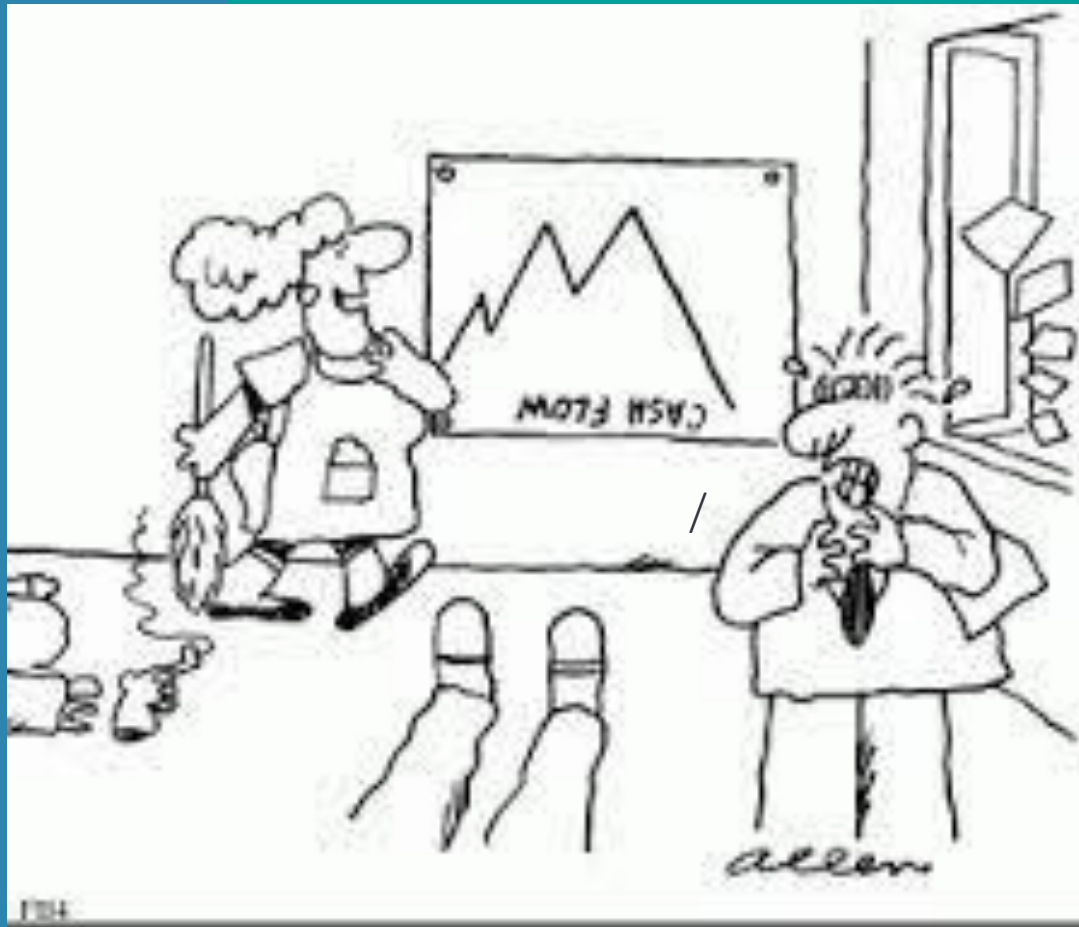


Surviving and Managing Cash Flow in a Crisis and Beyond

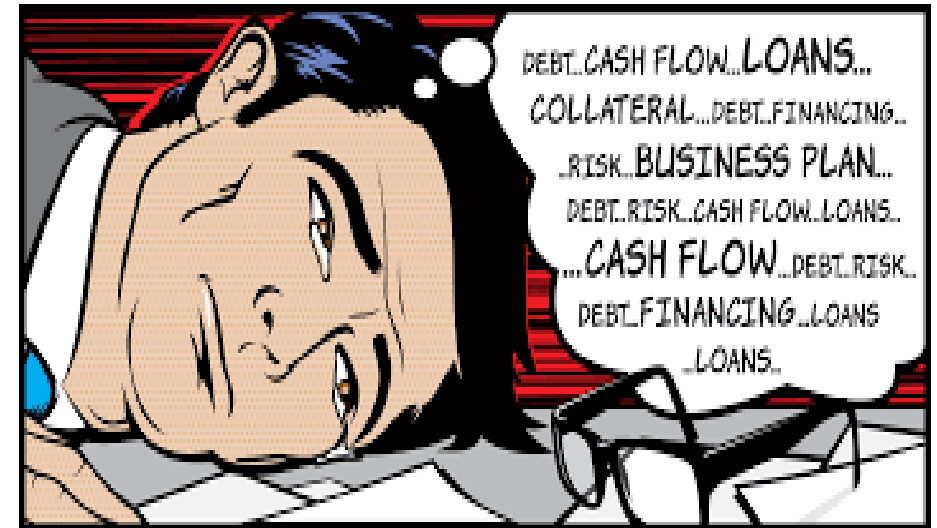
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1984
"Oh, silly me. Did I put that back upside down?"





What is Cash Flow?

Cash flow is a snapshot of your business finances taken during a specific time period. It provides a picture of money flowing into and out of your business, letting you know how liquid and flexible your company is, while gauging its relative long-term health.



WHY IS IT IMPORTANT?

- It's the lifeblood of an organization. It pays salaries, buys supplies, and makes investments in infrastructure. Owners who cannot [efficiently manage their business cash flow](#) are almost certain to fail. Those who can are able to improve nearly every aspect of their business.
- Many small businesses make mistakes when it comes to their cash flow accounting. They over forecast sales, fail to track bills, incorrectly allocate resources correctly during startup, or don't plan ahead.



Did You Know?

- According to Business Insider, [82%](#) of businesses fail due to cash flow problems. A cash flow shortage happens when more money is flowing out of a business than is flowing in to the business. That means, during a cash flow shortage, you might not have enough money cover payroll or other operating expenses.
- When business leaders or ownership have no strategy or plan in place for handling a cash flow shortage, a cash flow crisis occurs. Be ready to take action which may mean difficult decisions.



Agenda

1. Business “Planning”
2. Receivables
3. Everything is Negotiable
4. Borrowing
5. Raising Capital
6. Expense Hacking
7. Selling Assets
8. Best Practices and Tips
9. Q & A



7 Strategies to Surviving a Cash Flow Crisis

#1: Adjust Business “Plan” to Improve Profit Margins

- Encountering a cash flow shortage should lead you to closely inspect your business plan, processes, operations and expenses.
- Why is there a shortage?
- Is it recurring?
- What is the plan to handle future shortages?



- Use job costing to look at your profit & loss statements and profit margins based on individual categories within your company (jobs, clients, employees, events, marketing strategies, products and services) to determine which areas of your business are the most and least profitable. This will help you adjust your business plan to focus on products or services that generate the most profit.
- “Fire” clients who might be costing you more money than you realize
- Optimize your pricing structure
- Identify areas of waste or unnecessary expense to remove from your operations.





#2: ACCELERATE RECEIVABLES AND PROCESS



What is your business doing to speed up cash flow?

- Ask new customers for a deposit, partial payment upfront or payment in full
- Send invoices early
- Send invoices more frequently
- Focus on past due clients (start early)
- Offer cash discounts if it makes sense

Make it convenient for clients to pay, consider:

- Accepting credit card as payment
- Does your website have this payment feature?
- Mobile Payment Ability
- ACH Function (check with your financial institution)





#3: Negotiate Payables

#4: Borrowing Options

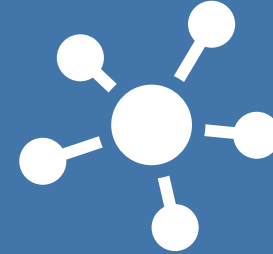


#5: Raise Capital and +Revenue



Bring on a partner and
sell equity

R & D Tax Credits
Grant Opportunities



Crowdfunding

Innovation
Recurring revenue



#6: Slash and Reduce Expenses



REVIEW

Review ALL Expenses

Payroll, Insurance, Utilities,
Leases, Ofc Supplies, Owner
Salaries, Draws,
Distributions

Short term and Long term
Liabilities

Prioritize Expenses

Essential vs. Non
Essential

Wants vs. Needs

Review Processes

Efficiencies – in house
vs. outsourcing



ELIMINATE THE
UNNECESSARY

Eliminate ALL
Unnecessary Expenses

Business Travel

Membership

Subscriptions

Gifts

Scrutinize EVERY penny
that leaves the bank
account(s)

Only spend on costs
that generates revenue
and required for
operations



#7: Sell and Reduce Assets



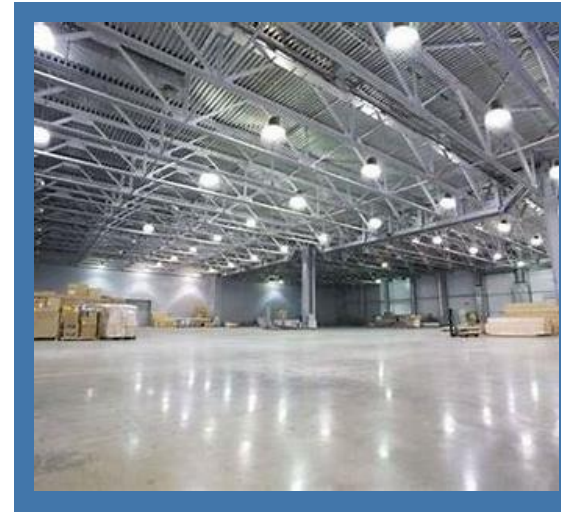
Inventory/Raw Material

Is excess really needed?



Equipment

Assess equipment needs



Fixtures

What fixtures are necessary for operations?



Space

Sublease? Downsize?



Best Practices and Tips





1. Anticipate Future Needs





2. Build Connections





3. Keep Your Cash Working





4. Train Your Customers





5. Work with Your Vendors





6. MAXIMIZE Your Cash Inflow





7. Shrink Your Cash Outflow



Closing Comments



**Reassess Operations
and Processes**



**Reduce Expenses and
Increase Revenues**



Re-Evaluate



Refocus



Questions



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**THANK
YOU**

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