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14 budget-friendly strategies to boost cash flow in your small business

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Access to ready cash is something any company needs, but it's especially important for small businesses looking to grow their operations. With fewer resources than larger companies, small businesses often have to get creative to boost their cash flow.

Fortunately, there are several effective free or low-budget ways smaller organizations can keep cash flowing into their coffers. Not sure where to begin? Try these 14 tried-and-true strategies from the members of [Business Journals Leadership Trust](#).

1. Use a credit card for non-payroll expenses.

Use a business credit card for non-payroll expenses instead of using a debit card or drawing directly from a bank account. This enables a company to stretch its cash conversion cycle, allowing time for revenue income to come in before the cash is paid out. Paying the card balance monthly, just before the due date, avoids interest charges and helps you establish a good credit rating. – [Janice Durant, EZ-Chow Inc.](#)

2. Complete a monthly financial review.

It is imperative to do a monthly financial review. If you are not winning business, expenses should be kept in check. In the best interest of clients, you have to explore ways to introduce innovative solutions so they can save costs as well. Internal fiduciary responsibility, as well as watching out for clients, will help keep costs in check and earn you more business. – [Sekhar Prabhakar, CEdge Software Consultants](#)

3. Work out billing details with new clients up front.

Have a one-page form for new clients to fill out before work begins on their project. This form should be used to obtain critical billing information, including the billing contact, a preferred method for receiving invoices, the client payment cycle and a preferred method of payment. This can help keep payments from being unintentionally delayed and keep cash flowing into your company with predictable frequency. – [Cory Porter, Browne McGregor Architects](#)

4. Look for ways to decrease your DSO.

Take a detailed look at your accounts receivable to find out your average Days Sales Outstanding, or DSO. What is the average number of days it takes your clients to pay, and how can you decrease that average number? Then take a look at your payment terms and come up with strategies to encourage people to pay earlier, such as a discount for ordering with cash, loyalty perks and so on. – [Ryan Tansom, Arkona](#)

5. Offer more convenient ways for customers to pay.

I use many small vendors who send me invoices through PayPal and let me pay with a credit card. If you haven't provided clients with this option, it may be worth considering. – [Linda Bishop, Thought Transformation](#)

6. Lower your fixed costs.

Two ways to increase cash flow are to decrease fixed costs and improve accounts receivable turnover. Lower fixed costs give a business more control over its cash flow by providing greater flexibility over how and when expenses are paid. Businesses can improve AR turnover by offering early pay discounts, accepting alternative forms of payment and reminding clients of outstanding invoices. – [C Tucker Herndon, Burr & Forman LLP](#)

7. Run a marketing assessment.

Increased cash flow often results from cutting business spend that's viewed as unnecessary or that doesn't have defined metrics or ROI attached to it. Marketing programs are often on the list because of a lack of metrics and defined benefits. Completing a marketing assessment of capabilities, programs and resources can help you identify areas where marketing performance can be improved. – [Mark Corona, Chief Outsiders](#)

8. Expand your sales market.

There are many ways to expand your sales market. You can explore adding new products or services. Create a new marketing strategy. Encourage your existing clients or customers to purchase more, and offer a rewards program to those who are loyal. – [Wesleyne Greer, Transformed Sales](#)

9. Take a detailed look at your banking activity.

A great first step is to review your monthly bank activity in detail, either through reviewing your paper bank statement or going online. There may be charges that you don't need anymore or didn't realize were so high. Every time I suggest that a client do this, they always find some savings. You can do the same thing with your monthly credit cards — for your business and personally, too! – [Denise Gueli, The Bonadio Group, CPA's Consultants & More](#)

10. Pay the company first.

I wish I knew this 20 years ago. In my opinion, the absolute easiest way to create cash flow is to pay the company first. It doesn't matter what the amount of money is; just start the practice. Treat it like an expense, and set some money aside every pay cycle into a separate, hard-to-access account. Then watch it grow. Your spending will naturally adjust accordingly. – [Matt Haney, UNS](#)

11. Don't pay non-interest-bearing bills in advance.

Unless you are paying off interest-accruing debt, never pay bills too far in advance. For example, if you know that the annual subscription service fee for your web hosting service is coming up in three months, there is no need to pay the bill until the due date. This helps increase cash flow by keeping more cash available for expenses. – [Jacquay Henderson, Square Peg Technologies](#)

12. Renegotiate your vendor agreements.

During the pandemic, many businesses — including our vendors — have made significant changes to their staff and services. This has provided a platform for us to renegotiate lower prices on recurring expenses for services we consistently use. We haven't made sweeping changes for any particular vendor, but the cumulative effect of the new pricing has had a significant positive effect on our cash flow. – [Ryan Cain, The Spero Group, LLC](#)

13. Develop a diverse referral network.

Develop and maintain a referral network of diverse professionals. Engage in frequent, informal follow-ups on a personal level with the members of your network to increase your visibility, top-of-mind referrals and personal relationships. – [Christine Durrett, Durrett & Kersting PLLC](#)

14. Collaborate with your team members at all levels.

Engage your entire team in the long-term strategy and daily operations planning. You'll discover and uncover dozens of ways to improve your cash flow and the bottom line. – [Dave Goodman, Goodman Experiences, LLC](#)