Resolve **cashflow problems** for your small business

Apply the 5Cs model to the cash-flow problem

1. Clarity

Categorise essential versus non-essential spend. Often, we spend money on what we think is essential, but it is not critical spend. Determine the difference. Then get very clear on how much money is still likely to be collected, and crystal clear on what revenue streams could be affected.

Ask: what three scenarios should we build for the next three to six months?

2. Collaboration

Who can we work with – our banks, clients, suppliers and other organisations?

3. Communication

- What should we tell our staff regarding their salaries and/or bonuses?
- What can we ask our banks? Perhaps loans can be extended to minimise our monthly payments, and perhaps we need a new loan or credit arranged?
- What can we ask our clients? Perhaps they can manage an earlier payment, payment in lieu of work, or another suggestion (they may surprise you).
- What can we ask our suppliers and creditors? Are they willing for us to delay payments?
- What can we ask anyone else, or who else can help?

4. Cadence

When should we do this? Can we do it now and get as many things done as soon as possible? How often will we monitor progress? In all likelihood, it will need to be weekly. Anything more is panic, anything less is negligence.

5. Command

Who will lead this work? Who will make sure that we do everything possible to give ourselves as much time as possible?

As you work through this process, always bear in mind that any delay in payment from you likely disadvantages someone else. There are two sides to this discussion, with pluses and minuses.

Credit: Tony Cross, sales-growth thought leader and MD of the inter-national group Growth Matters