



# More Money

## 12 Secret Places Money Hides in Your Business .



[www.coachsmc.co.uk](http://www.coachsmc.co.uk)

Many owners of fast-growing businesses find themselves with a shortfall of cash at some point along the journey. Some businesses always struggle to find money to make ends meet. Some businesses could rapidly accelerate their growth if they could just lay their hands on £50K to take advantage of an opportunity..... sound familiar?

Over the years we've been asked "how can I find £50,000 in my business to pay for .....?" Sometimes it's a cash flow issue but more often than not an opportunity to make more sales. For example, we were asked to find £50,000 cash to buy additional stock. This is how we helped them find it.

The solution to a lack of money is often right under your nose. But when you're desperately looking for cash it is easy to overlook what is already inside your business and automatically look at external funding. Oddly, many business owners think this is easier..? When we are approached by cash strapped clients the first thing we do is "turn over the stones" in their business, it is amazing what we can find.

Here are some of the secret hiding places.

## **1. Get paid up front**

That's exactly what on-line retailers do; no payment equals no goods. They won't even ship the goods until money is in the bank. They couldn't possibly cope with a request for credit or delayed payment terms, so no-one asks, everyone accepts that payment is made first.

## **2. No more credit**

A wise old businessman taught me that the sale hasn't been made until the money is in your bank account. So, my question is "Why should you give anyone credit?"

In many industries, it's almost a tradition, purchasers want a discount and credit.... A double whammy to your bottom line.

No more credit where credit hasn't been earnt.

### **3. Turn old or discontinued stock into cash**

Black Friday or the January sales is a great time to do this. Or you could consider having a flash sale to get old products moving off the shelf. Then you can replace them with new products. Always make sure that you know exactly what stock you have, how much you paid for it, then develop a series of tactics that you can use to quickly clear shelves so you can replenish with new stock. Don't let sales drag on too long.

### **4. Get money owed to you in your bank account**

Review your debtors list in detail now. Who owes you money, how much is owed and how much is overdue? In general, if you are offering 30 days credit that normally means you will be paid within 45 to 60 days. Be careful as it's very easy for your age debtors list to grow considerably.

Chase vigorously anything that is overdue and money due soon. You will be surprised how much cash is sitting waiting to be collected even if it is not due yet.

### **5. Review your clients**

It's time to sack clients that waste excessive amounts of your time. This costs you money. You know the ones, the "I want this done now" client or the "I'm never satisfied" client or the "could you just" client.

### **6. Improve your quality**

We are constantly surprised how many businesses allow their customers to be their quality control department. Every time you deliver a substandard product for whatever reason it wastes time, money, effort and potential future purchases for your business.

### **7. Get rid of time wasters**

We've already mentioned your time-wasting clients that are already paying you. Let's look at other time wasters. Most businesses look at their sales

pipeline and are very reluctant to remove prospective customers even when they have been on there for some time. But it takes you time to service these slow movers or 'never going to purchase' through your sales process when you could be spending more time on much better prospects.

It's time to cull the sales pipeline get rid of the clients or the prospects that are draining your energy and wasting your time. Get clients to opt in or opt out right now.

## **8. Package products together**

If you have 'slow sellers' on the shelves, try putting them together in a package. They suddenly become much more attractive and so more likely to sell. OK you won't get full price for a package of products - that's the whole point of doing the package. But you will shift products through the sales pipeline, and it will be generating cash for you. When getting cash into the business is vital, packaging products is a great way to go.

## **9. Submitting a research and development tax credits claim**

If you have carried out any research and development work within your business, you should consider applying for a Research & Development tax credit. This is one of HMRCs great giveaways (along with a couple of others). The money won't be available tomorrow, but there is usually a considerable amount of money that you can reclaim to either reduce your tax or as cash.

## **10. Review your direct debits**

Over the years you will have added product subscriptions, software tools, and other services that you are paying for monthly. These products are like mushrooms and continue to expand greatly in the dark when they are not looked at. Evaluate your last 31 days payments. Go through and check which payments have been made (bank account AND on your credit card). Ask yourself do you still need these subscriptions if not it is time to cancel and save money.

## **11. Time to reconsider your overheads**

The coronavirus pandemic forced businesses to work differently. Many have discovered the benefits of home & flexible working. Three of our clients have given up leases on their office and all their staff are now working from home. This is not an immediate cash saving but these three companies have saved between £6,000 and £22,000 per year on the office leases without calculating the additional costs that go with running an office.

## **12. It's a small thing...**

Stationary can be expensive and a good place to start saving money. When everybody has gone home, open every one's desk and remove all stationary items and put back into the main storage cupboard. Allocate the essentials to each employee: a red & black pen & pencil, a sharpener, rubber and a pad of paper. Perhaps a couple of other items but that will depend on your business.

Do not order any new stationary until the cupboard is empty. We had a client do this and they did not buy any new stationary for the next 14 months, saving over £1200.

## **Summary**

You should always have a financial cushion, a rainy-day fund or a fighting fund or a growth fund. Money for the next big push, the next big opportunity, big project, a capital purchase or if times are hard.

But sometimes you need a bit of extra cash. Perhaps an unexpected opportunity has arisen that you could take advantage of. Running a business hand to mouth is consistently worrying, so having a financial cushion is a grand idea.

It's not always easy to get money from traditional sources and there is always a time lag unless you have a very large credit limit on your credit card.

- When you're ready here are some of the ways that we help businesses get unstuck and grow. Everything we do focuses on proactive business planning, so businesses aren't caught out and have contingency plans in place in case the worst happens. If you need to raise £50,000 quickly then you might also need some help with your business planning. If that's the case drop us an email and we will happily send you our **7 Easy Steps to A Brilliant Business Plan**.
- Follow us on Twitter [@coachsme](#), like [The Business Planning Coach on Facebook](#) or apply to join the **Grown-Up Business Club**, a peer-to-peer support group. Why not share your hiding places?
- Engage us to help you transform your business and make sure it reaches its potential.

This ebook is designed to provide information on how you can improve your business.

The purpose of this book is to inform and entertain the reader on the subject drawing on many sources of information as well as personal experience. It is published for general reference and is not intended to be a definitive guidance on your circumstances or as a substitute for independent verification by readers.

Although the author has made all reasonable efforts to ensure the accuracy and completeness of the information contained within, we cannot assume any responsibility for errors in accuracies admissions or inconsistencies or reliance on the same.

This ebook is provided free of charge on the understanding that the author is not engaged in providing accounting, legal or other professional services. If legal and or other expert assistance is required, the services of a competent professional should be sought.

The author does not accept any liability however caused to any person and or entity in relation to any loss damage or expense caused or incurred as a result of acting or failing to act as a result of the information contained in this ebook.

The right of Shirley Mansfield to be identified as the author of this work has been asserted by her in accordance with the designs and copyrights Act 1988.



[www.coachsme.co.uk](http://www.coachsme.co.uk)